NATIONAL WEEKLY

Social Justice

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THE 'MESSIAH' IN THE SEALED CAR
BY George Sylvester Viereck

EXPOSING THE COLLECTION RACKET
Judge Joseph A. Gillis

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THIS WEEK'S NEWS THIS WEEK

VOL. 1A NO. 12

THE MOTHER OF ALL

PRESIDENT ROOSEVELT is to be commended for having pronounced his doctrine of good neighborliness. Like every other doctrine it is subject to the restrictions of reason and to the good counsel of righteousness.

In his letter to the Romans (16-17) the Apostle Paul says: "I beseech you, brethren, to mark them that cause dissension and offenses contrary to the doctrine which you have learned, and to avoid them."

John the Evangelist (1: 10-11) also remarks: "If any man come to you, and bring not this doctrine, receive him not into the house, nor say to him: 'God speed you.' For he that saith unto him 'God speed you' communicates with his wicked works."

In opening wide the portals to receive the emigres from Germany, Austria, Spain, Poland and France, Secretary Frances Perkins, officially acting in the name of Mr. Roosevelt, is widely acclaimed as the mother of all. With outstretched arms she is symbolic of the United States of America, which gives asylum and refuge to both nationals and internationals who are fleeing from Europe.

Passports and visas are extended to everyone of these refugees by the consular officers of the United States in Europe provided each refugee merely states that he belongs to an oppressed minority.

Good neighborliness is a good doctrine. Nevertheless we who have not been able to give asylum to our unemployed; we who have not been able to give refuge to our own exploited have no business in opening wide the motherly arms of Madame Perkins to foreigners who cause dissension and entertain policies and principles which are offensive and contrary to the doctrines of religion and of patriotism which we have learned at home.

America has been called the melting pot. Nevertheless, it is impossible to melt the dross of atheism, the scavengery of Communism, and the offal of internationalism with any success into the substance of sound Americanism.

No emigrant or refugee should be received into our country unless he is willing to forswear the hyphen of his former nationality; unless he is willing to forswear allegiance to or sympathy with Communism, Nazism or Fascism.

Madame Perkins can never mother at her breast the offspring of European dissension without endangering the corporate body of Americanism to the same fangs and stings which poisoned Russia, France, Germany and Spain.

Let Mother Perkins remember that America is for the Americans.

Let our Government recognize the necessity of sterilizing the minds and fumigating the souls of every emigrant who seeks refuge behind the Statute of Liberty.

Social Justice

MAY 23, 1938

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"The Mother of All"

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Vol. 1A No. 12

Father Coughlin Replies . . .

Expressing his opinion that democracy functions best under the system of representation from neighborhoods rather than from representation according to classes, a correspondent asks for more light on the subject.

Democracy is essentially a form of government of the people, by the people and for the people. A state or a nation can be compared to a human body. In the body the brain is the center of operation. Each portion of the body has representation in the brain through the medium of nerves, or Congressmen. These nerves do not perform actions of representation in any mass operation. The fingers, the wrist and the arm have their representative. So it is with each different member or group of members which form a class.

In the state, it is the ultimate desire of perfected democracy to have every citizen represented and represented thoroughly. Now in many congressional districts throughout the United States we find that the citizens dwelling therein have diverse operations and interests and classifications. There are professional men, building trade men, factory workers, merchants, journalists, etc. Hence, it is asking too much of a representative to represent equitably all the men living in his district because his interest will be divided and his ear will be apt to listen to the most persuasive group of men within his district. The result will be that most citizens living in that given district will not be represented.

How true this has proven to be in America! The most influential citizens and those who enjoyed expression through the press, together with those who enjoyed the ability of bestowing greater rewards upon the representative gained his attention to the detriment of the laboring class and, in some instances, of the agricultural class.

To assure the laboring class of a representative whose full time will be spent in representing labor, the Corporate State idea was suggested, not to injure democracy but rather to perfect it.

"Under what category do you propose to classify the twelve million unemployed voters in the Corporate State?"

A Corporate State regards unemployment as an abomination. Because it is sincerely interested in consumption of goods; because it preaches the gospel of plenty for all, it endeavors to occupy every citizen able and capable of working in producing a plenitude.

Consequently, a true disciple of a Corporate State is primarily opposed to a theory of distribution which is predicated upon want. He is practically opposed to the theory of money now extant in America because that theory is based upon want and debt.

It is impossible to operate or even conceive a Corporate State unless money is regarded as a receipt for wealth. This means that the current notion of money which regards it either as wealth itself or as an obligation of debt must be cashiered, thereby enabling all citizens to become productive.

A Corporate State aims at producing more and more and consuming more and more. It is opposed to the idea that consumption should be limited to that amount of production which is predicated upon a scarcity of money.

CHICAGO

PILGRIMAGE and EXCURSION
by BUS to
SHRINE OF THE LITTLE FLOWER
Royal Oak, Michigan

Saturday, May 28th and Sunday, May 29th

$9.50 ROUND TRIP

Consisting of two meals Saturday, lodging at the Tuller Hotel, Detroit, four in a room, two meals Sunday and a lunch on the road home.

Leaving Chicago Saturday at 8 A. M. from Congress Street and Michigan Ave., and from 63rd and Halsted St. Elevated Station at 8:30 A. M., arriving back in Chicago about Midnight Sunday, May 29th, 1938. For reservation and information see

J. B CUNNINGHAM,
6556 Sangamon Street,
Telephone: Englewood 2571 Chicago, Illinois.

Tours To The Shrine

The national Shrine of the Little Flower at Royal Oak, Michigan prepares to welcome thousands of visitors throughout the approaching summer months.

Father Coughlin, of course, will figure prominently in the ceremonies honoring his guests. In the morning, delegations will have an opportunity to attend the celebration of a Solemn High Mass. They will hear an adult choir of thirty trained singers and sixty boy choristers vested in white surplices and cassocks of black and purple. In the afternoon they will be invited to participate in an interesting program on the site of the grotto dedicated to St. Therese.

Sunday, May 29th, marks the first of the officially scheduled pilgrimage days. On that date legions of Father Coughlin's friends and supporters from Eastern New York, Brooklyn, the five boroughs and regions along the route, will arrive. They are now organizing under the leadership of Mr. Bryan B. O'Rourke, who conducts a travel service agency at 1807 Westchester Avenue, New York City.

Sunday, June 12th will bring a large gathering of welcome visitors from the cities of Buffalo, Syracuse, Rochester and the surrounding area. This tour will travel via boat from Buffalo and is sponsored by "The Echo," a Catholic newspaper in Buffalo located at 564 Dodge Street. Detailed information to all who are interested will be furnished by the above-named newspaper.

Philadelphia friends have set aside the Fourth of July as the date for their pilgrimage, and they are presently organizing under the direction of Mr. Floyd Nellett of 1242 Oxford Street.

Thus, the parade begins, and before the summer will have spent itself, countless numbers of men and women of every nationality and creed will have enjoyed a memorable sojourn to the famed Shrine erected in honor of the girl-saint of Lisieux.

Do you plan to be among them?

If so, do not delay in contacting your local leader and making necessary arrangements.

DEDICATION DAYS

MAY 29-30—Eastern New York, Brooklyn and surroundings.
JUNE 12—"The Echo" Cruise from Buffalo.
JULY 2-3-4—Boston, New England, New Jersey, Philadelphia, Baltimore.
JULY 10—Western New York, Buffalo, Syracuse, Rochester, Troy, Albany, Eastern Pennsylvania, Pittsburgh, Altoona, Erie.
JULY 17—Chicago, Illinois, Kansas, Iowa, Columbus.
JULY 24—Indiana.
JULY 31—Cleveland, Akron, Missouri.
AUGUST 7—Kentucky, Dayton.
Dayton, Columbus.
AUGUST 14—Toledo, Piqua, Sidney, Lima, Troy, Ohio.
AUGUST 21—Michigan, Wisconsin, Minnesota.
SEPTEMBER 3-4-5—National Day—for all.

NEW YORK, BROOKLYN LONG ISLAND

3rd Annual Pilgrimage (Official Tour) to
SHRINE OF THE LITTLE FLOWER
Royal Oak, Michigan

DECORATION DAY WEEK END
Friday, May 27 to Monday, May 30

FARE $22.85 ROUND TRIP

Via Erie Railroad and Great Lake Steamers
For reservations, write, phone or wire

BRYAN B. O'ROURKE, 1807 Westchester Ave., Bronx, N. Y.
Westchester 7-1731, 7-1371

J. F. WILD, G.A.P.D., Erie Railroad Co., Room 219, 630 Fifth Ave., Rockefeller Center, New York City, Circle 5-7222

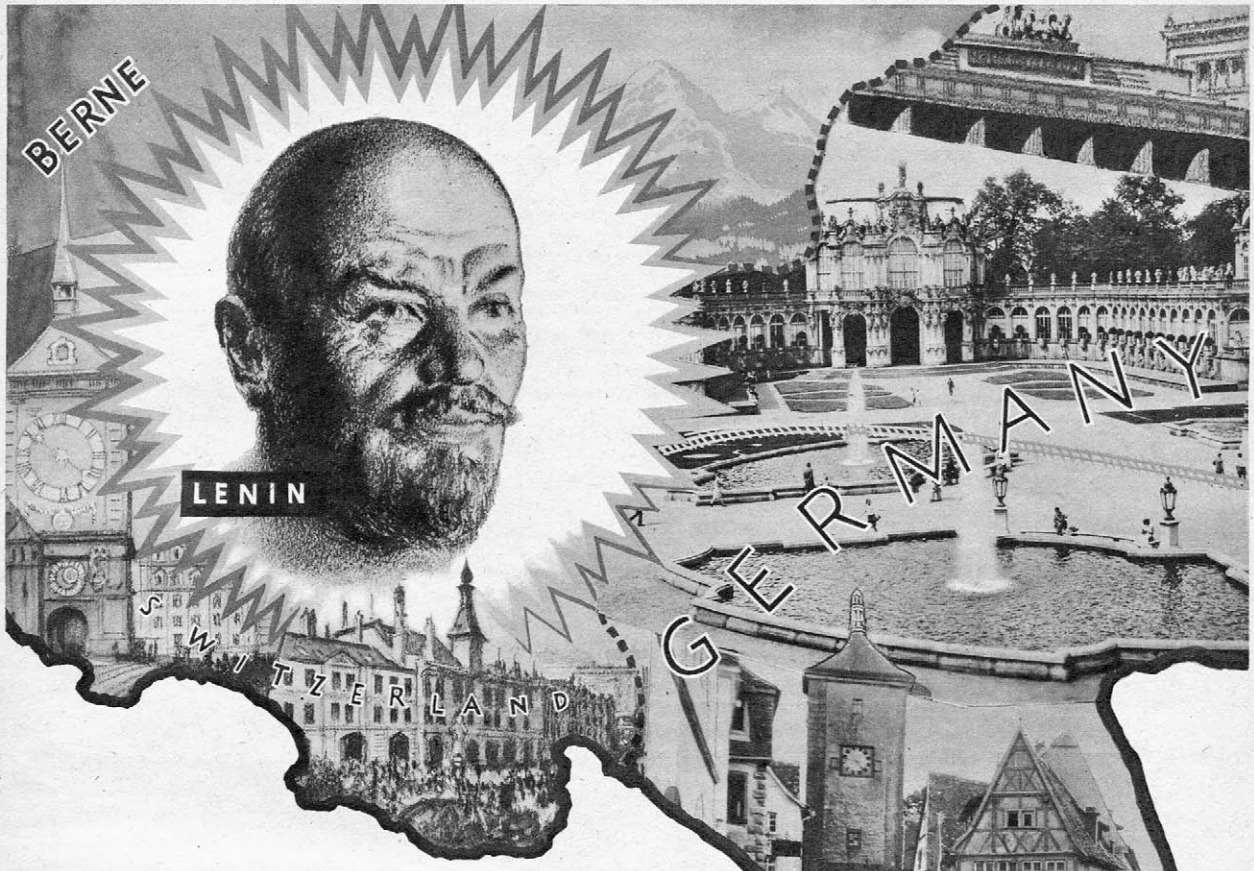
FRANK J. WILLIAMS, 34-20 32nd St., Long Island City, L. I. Ravenswood 8-10320

Will you kindly send me information concerning tours and pilgrimages to the Shrine of the Little Flower in Royal Oak, Michigan. This request places no obligation upon me.

Name.....

Address.....

City..... State.....



THE "MESSIAH" in the Sealed Car

by GEORGE SYLVESTER VIERECK

Author of "The Kaiser on Trial"

Mr. Viereck Here Reveals, From Information Based on Russian and Official German Sources, the True Story of Lenin's Famous Trip Through Germany in a Sealed Car. The Story is of Exceptional Interest, in View of the Fact That Most of Lenin's Companions on That Historic Journey Have Been 'Liquidated' by Stalin. It is Even More Important, Because It Shows How a Minority Within a Minority — Possibly a Minority of One — Changed the Fate of Russia and the World.

ON APRIL 9, 1917, "Nikolai" Lenin accompanied by his favorite disciples, entered the sealed car that was to take him from Berne, Switzerland, through Germany. Germany was still at war with Russia. On April 16 the Red "Messiah" reached St. Petersburg. It was the most momentous voyage in history since Columbus.

If Lenin had remained in Switzerland, the Russian revolution would have meant merely a radical change of government; it would not have uprooted a civilization. Lenin's arrival at the psychological moment changed the fate of the human race, whether we regard the role of Bolshevism as one of mankind's major catastrophies or as the dawn of a Golden Age.

Life will never be what it was before the motley crew of thirty radicals, fortified with a safe conduct from General Ludendorff, entered the third class apartment of the train reserved for them on that epic journey. At the end of that journey a small, desperately determined, minority turned the balance wheel upon which hung the fate of all Russia. The Eight Days in the Sealed Car were the prelude to the Ten Days That Shook the World.

And yet no one, except a handful of revolutionists and a handful of government officials, knew of the venture. The capitals of the world paid no attention to the incident. The advent of Lenin did not deepen the gloom of the imprisoned Czar. General Ludendorff, who had signed the permit, hardly gave the matter a thought. He devotes scarcely a dozen lines to it in his "*War Reminiscences*":

"The disintegration of the Russian army and the Russian people was an extraordinary peril for Germany; of that no doubt existed for me. My anxiety was increased when I considered the weakness of our and the Austro-Hungarian government. By sending Lenin to Russia our government had taken upon its shoulder a special responsibility. From a military point of view this trip was justified. Russia had to fail. But our government should have seen to it that we, too, did not fail likewise."

That is all.

And yet Lenin's trip was more fateful than all the victories and defeats of Ludendorff's armies. Today, the slight figure in the shabby coat, the strange bald Slavic head, with the enormous cranium that cradled a world revolution, overshadows by far the monocled German general in his gorgeous uniform studded with decorations.

GERMANY violated her own spirit and tradition when she dispatched Lenin to Russia; it was her sin against the Holy Ghost. It is at this instance, not at the beginning of the World War, that Germany became "guilty" even though, like the hero in a Greek tragedy, she sinned unwillingly and unwittingly, driven by forces beyond her control. This is the conclusion at which I arrived in "*The Kaiser on Trial.*" Like all previous writers, I attributed the blame for Lenin's return to Russia to General Ludendorff. Since that time I have learned enough to change my mind. I know now that the responsibility belongs to Chancellor von Bethmann-Hollweg. It was perhaps the most colossal blunder of that unhappy statesman.

Lenin and his companions, believing that they were pawns in a game conceived by Ludendorff, were determined to play a game of their own. It was Ludendorff, not Bethmann-Hollweg, who figured in their conversations and in the symposium published after Lenin's death by Fritz Platten, the Swiss Communist, who acted as Lenin's personal emissary in certain negotiations with the German Legation in Berne. It is the accepted version.

In the stormy days between April 16 and the November revolution, Lenin was branded by his opponents as the "tool of Ludendorff and the Kaiser." My investigations, made with the aid of Lieutenant Colonel Forster, president of the "Kriegsgeschlichtliche Forschungsanstalt des Heeres," of General Ludendorff himself, and of the exiled German monarch in Doorn, shed new light on this amazing chapter of history.

IT was in March, 1917, maddest of months, that a comrade knocked at

the shabby dwelling in Switzerland that housed Vladimir Ilyich Lenin and his wife, Nadezhda Konstantinovna Krupskaya.

"Wake up, the Revolution is here!"

Lenin could hardly believe his ears. Had his predictions come true at last? Was the great moment at hand? The newspapers, hastily procured, confirmed the message. St. Petersburg was in the hands of the revolutionists. Soon afterwards the provisional government dispatched greetings to all emigrants and fugitives from Czarist Russia who had suffered in prison or in exile, inviting them to come home. Russian exiles everywhere started to pack their trunks, but Bonar Law and Aristide Briand refused to pass more than 150 of the radicals within their borders.

The discrimination of Russia's Allies nullified the amnesty of the provisional government. It bottled up most opponents of the imperial war, including Lenin and his faithful band, on foreign soil. The Entente was clever enough to realize that the return of the Bolsheviks would extinguish the dying flame of Russia's will to war, fanned artificially by Allied propagandists. So-called "social patriots" like Plekhanov, were taken to Russia on British men-o'war, protected by torpedo destroyers, while Trotsky and other radicals of his persuasion, were barred by force from their native land.

Lenin heard the call of destiny. He saw his star—a Red star with seven points—rise over Russia. Determined to reach Russia at any cost, he at one time negotiated with a dubious dealer in contraband, who promised to smuggle him through Germany. The Bolshevist counter-intelligence service discovered that the man was a German spy. Some comrade suggested the possibility of reaching Russia with the aid of a forged Swedish passport. Unfortunately, Lenin did not speak a word of Swedish, but he had a bright idea. "I shall pretend to be a dumb Swede." Madame Krupskaya squelched the scheme. "It won't do," she said, "you might talk in your sleep."

A General Committee of Political Emigres, representing all shades of opinion, was formed in Switzerland to effect their repatriation with the aid of the Swiss Socialist Party. It issued a threefold appeal to the president of the Soviets at St. Petersburg, Comrade Tchkheidzy, to Kerensky, then Minister of Justice, and to the veteran revolutionary martyr, Vera Figner, urging an exchange of Russian emigres for Germany prisoners of war to facilitate the return of these exiles through Germany. St. Petersburg made no response.

Another committee, composed of members of the Russian Social Democratic Labor Party, addressed itself to the same authorities and delegated the Swiss Socialist Grimm, a member of the Swiss government, to plead their cause in St. Petersburg. The Foreign Minister Milyukov replied with empty assurances that the provisional government would exert its influence in France and England to facilitate the repatriation of all Russians abroad, irrespective of party affiliations.

When the internment of Trotsky by the English in Halifax revealed the hollow mockery of Milyukov's promises, the emigrants in Switzerland opened negotiations through a committee of non-Russian Socialists for the passage of a sealed train through Germany. Lenin himself wasted no time on negotiations. His brain was never idle. Every mail carried messages from him to comrades in Russia. He prepared proclamations, promising bread to every family and milk to every mother.

"Be moderate at first," Lenin advised his party, "until you have won the man in the street."

"Peace, peace," he cried to stop the "imperialist" war. He never envisaged peace in the class war.

"The provisional government," declared Lenin in another pronunciamenta, "is the servant of that multimillionaire firm, England, France and Company. Don't participate in the government," he exhorted his Communist friends. "Build up a people's army of 750,000 . . . Our objective is not the defeat, but the annihilation of the bourgeois regime." He urged comrades to throw down the gage to imperialism everywhere. "Not only William II, but the British and Italian kings must be laid low."

While Lenin expressed these amiable sentiments, fate suddenly reached out a helping hand to him in the shape of Helphant, also known as Parvus. Parvus, as he preferred to be called, began his checkered career as a revolutionist. Banished from Russia, he devoted himself to shady business deals and, during the World War, became a German agent. He worked hand in glove with certain liberal German politicians, and acted as a go-between for them and the Leftists.

Valerie Marcu, in a stimulating study of Lenin, calls Parvus (alias Helphant) "a true internationalist." Having read Karl Marx with profit, Parvus successfully exploited the capitalist system to his own profit in Berlin, Berne, Copenhagen and Constantinople. It occurred to his agile mind to render a service to his old Russian comrades and his new German confreres. He pointed out to the German government the advantage of putting an end to Russian participation in the World War by precipitating Lenin from Switzerland to Russia.

Scheidemann, the Socialist leader, who subsequently proclaimed the German republic, and Erzberger, the agile Centrist, who was destined to sign the Armistice, were accessories to the scheme of Parvus-Helphant. Gleefully they ran to Bethmann-Hollweg. The Chancellor succumbed to their arguments.

Bethmann-Hollweg requests the German general staff to grant the necessary visas. Such, at least, is the explanation vouchsafed personally by the late General Ludendorff, shortly before his death.

"The Deputy General Staff in Berlin," he added, "had the duty to comply . . . Since those charged with the political destinies of the Reich demanded safe conduct for the Russians, the Supreme Command had no reason to refuse the request. Lenin's name was completely unknown to me until that time."

(To be Continued)

WHERE WILL WE STAND?

THE 1938 ELECTIONS are in the immediate offing. Throughout the nation, as indicated by the La Follette surprise party, politicians are already in training for the 1940 presidential election.

Presuming that you are interested in obtaining first-hand information which will indicate the part, if any, which "Social Justice" plans to play in these political contests, the following paragraphs are presented to give you an outline of the policies which will govern its activities.

First and foremost, the idea of forming a political party is not even entertained. Contrary to the general impression which was created in 1936, the National Union for Social Justice did not organize the Union Party although its members supported its presidential and vice-presidential candidates for office.

At that time I was morally certain that Mr. Roosevelt's policies were bound to generate a worse depression than the one we experienced under Herbert Hoover. On many occasions I gave expression to this thought. Therefore, determined not to be party in advocating the people to vote for another depression, and equally determined not to suggest to my friends to revive the untenable policies of Herbert Hoover, I contented myself with supporting a losing candidate whose policies at least, had they been adopted, would have saved America from the needless suffering which this nation has experienced during the past two years.

Now, all that is ancient history. Nevertheless, it has a bearing on the future.

Will I support President Roosevelt or the New Deal candidate at the next election?

Will I stultify myself by supporting the old-line Republicans in 1940?

Will I trouble myself with trying to educate the American people to support the La Follettes, or the Socialists, or the Communists or some third or fourth or fifth party?

Before answering any one of these questions, let me explain that I will support no political party in the sense that I will place my trust in any man or group of men who are wedded to partyism. However, I certainly will be found supporting principles rather than men, provided I am living and provided the character of the men who pronounce the principles invites a reasonable support.

From every quarter of the nation come letters asking me to reorganize the National Union on the same basis which it enjoyed in 1936. Experience and wisdom gained therefrom prohibit my doing so for the simple reason that the units of the National Union as organized in 1936 simply got out of hand and became the tools of local politicians.

However, I am advising my followers *to organize in groups and to prepare themselves for action in* 1940.

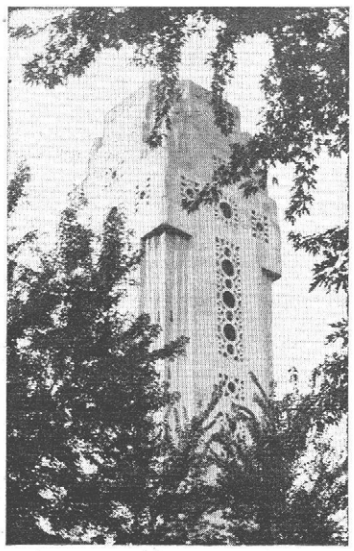
Unless organization is accomplished now and unless the organized groups discipline themselves during the next two years, it will be futile for me to suggest in 1940 a plan of action for them.

Now to answer the questions: It is impossible for me or for any other person to gage at the present moment the political weather which will exist in 1940. Possibly, Mr. Roosevelt by that time will not only divorce himself from his radical advisers, but will recognize that the money question must be solved first before want in the midst of plenty can be destroyed and before burdensome taxation can be lifted from the shoulders of our people.

Supposing that our President, or his successor at the Democratic convention, will decide to do this, I will be found supporting him as vigorously as I possibly can.

Supposing that he or his successor at the Democratic convention of 1940 plans to pursue the policy of borrowing us out of debt with bankers' credit money, of imposing new and heavier taxation upon us, and of trying to rectify our economic ills by attacking the Constitution which is entirely innocent of our predicament, naturally I shall be opposed to these policies.

Certainly, despite the high character of the Republican nominees for president and vice-president, I will not support them if they content themselves merely with riddling their opponents' radical platform and, at the same time, propose to the electorate a platform that is characterized by rugged individualism and by the errors of capitalism.



FROM THE TOWER

At this juncture I repeat what I have often said: that I am just as much opposed to Communism as I am to capitalism; *I am just as much opposed to capitalism, with its support of usury and less-than-living wages, as I am to Communism.*

Now there is a possibility, as above indicated, that Mr. Roosevelt or his successor at the Democratic convention will adopt the principles of social justice. There is a possibility that the Republicans will divorce themselves from the policy of rugged individualism and nominate an outstanding, social justice minded candidate whose platform will include the major principles of social justice.

Consequently we must wait.

AT THE PRESENT moment we are in a stronger position than ever before. The defeat of the Reorganization Bill indicates the validity of that assertion.

We are stronger because we are wedded to principles and not to men.

We are stronger because we are wedded to truth and not to error.

We are stronger because our predictions have proven our judgment.

We are stronger because we are opposed to class rule and class regimentation.

We are stronger because we are campaigning for social justice for all.

We are stronger because we uphold private propertyship, annual wages for labor, lessening of taxation for the citizens and the other principles which we have constantly advocated.

We are stronger because we have proven ourselves to be invincible even in defeat.

We are stronger because we refuse to compromise with radicalism, Communism, Fascism or Nazism.

We are stronger because we have persistently adhered to the Constitution.

We will be stronger by 1940! In fact, it is my opinion that we will hold the balance of power, provided we have enough intelligence to organize now and then wait.

There is a deal of virtue in waiting. But there is no virtue in waiting unless we are prepared to act when the crucial moment arrives.

Political incidents of great significance are happening daily. For example, consider the Wages and Hours Bill. This is a highly controversial piece of legislation fostered by the New Deal. The South and the New Dealers of the South are opposed to it because of the racial question involved. The North and the New Dealers of the North are supporters of it because of the demands made by the C.I.O., by the A.F.L. and by the large industrial groups in all the northern cities. Unquestionably, this bill will pass both the House and the Senate. Unquestionably, it will be placed upon Mr. Roosevelt's desk for him to sign or reject in some form before 1940.

Supposing he signs this Wages and Hours Bill, probably he will alienate the good opinion of the South.

Supposing he refuses to sign it and prefers to veto it, he will invite the execrations of many millions of his supporters living in the North.

As a side issue to this bill, the textile workers of the Eastern seaboard are not pleased with certain suggestions being made that the wages in the South for labor will be lower than the wages provided for the northern laborers because this would mean that the textile factories of New England will move south of the Mason and Dixon line.

I cite this as an example of the political possibilities which will arise between now and 1940.

Therefore I wish that you will interpret my watchful waiting as the most appropriate policy to be adopted at this moment.

It would be ridiculous for me to take sides with any party and thereby jeopardize the growing influence which social justice is acquiring among all the classes.

Please do not interpret this message to mean that I am opposed to Mr. Roosevelt personally. I am merely opposed to his policies and have openly said so. More than that, I predicted before 1936 that his present policies would meet with disaster. Knowing that they were flirting with disaster as far back as 1935, I would be dishonest to encourage my followers to support them.

Mr. Roosevelt will always find me honest in supporting honest principles which I am convinced will rectify the economic ills prevailing in America.

On the other hand it is not correct to state that I am opposed to Mr. Hoover or to any individual Republican. I am simply opposed to the former Republican programs of rugged individualism and of ragged usury.

Meanwhile, I bid all of you to be of good heart and of good cheer as I indicate once more that you are invincible in defeat and that you are in a far stronger position at this moment to campaign for the principles of social justice than you were in 1936.

MY concluding remarks are concerned with the organization which I ask you to establish between now and 1940. Let your organization be composed of no more than 25 members. After a few contacts with these 25 persons you will observe that one or two of them may be capable of organizing 25 more. Invite those capable persons to do that very thing.

Secondly, do not agitate yourselves about holding meetings and seeking publicity. Preferably consider yourselves as soldiers who are in training—mental training. It will be your duty to inform yourselves of our principles. It will be your duty to learn that there is no political redemption for America at the hands of politicians. It will be your duty to interest yourselves both in the Democratic and in the Republican conventions with the aim of sowing seeds of social justice among the delegates who eventually will find their way to the convention city in 1940.

It will be your duty to carry on a campaign of letter-writing to the press, to the Republican headquarters, to the Democratic headquarters and to your congressmen.

Finally, it will be your duty to read carefully the articles appearing in SOCIAL JUSTICE magazine every week and to encourage many other persons to subscribe to this publication with the hope that our circulation will not only grow beyond a million but that our followers who believe in the principles of social justice will increase beyond ten million.

It will be your duty to have confidence and determination. The will to serve and the will to win must characterize your activities.

It will be your duty never to sell yourselves to any politician for any promised job. Politicians are your servants. You are not theirs.

Certainly we are not dead. We were sleeping and in that sleep we regained much of our lost vitality. The hour has come for every one of us to carry on more valiantly than before.

Remember our former victories! They are only indications of the final victory which will be ours if you can revive some of the original spirit and enthusiasm which marked the entrance of social justice into the national field in 1936.

Father Coughlin

NATIONAL WEEKLY

Social Justice

Founded 1936 by Father Coughlin

Rev. Chas. E. Coughlin, LL.D.
EDITORIAL COUNSEL
(By Permission of His Superior)
Published by The Social Justice Publishing Co.

16 PRINCIPLES OF SOCIAL JUSTICE

Liberty of conscience and education.
Just, living, annual wage.
Nationalization of important public resources.
Private ownership of all other property.
Control of private property for public good.
Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.
Restoration to Congress of its sole right to coin and regulate the value of money.
Cost of living maintained on an even keel.
Cost of production plus a fair profit for the farmer.
Labor's right to organize.
Recall of non-productive bonds.
Abolition of tax-exempt bonds.
Broadened base of taxation on basis of ownership and capacity to pay.
Simplification of government and lower taxes.
Conscription of wealth as well as men in event of war.
Sanctity of human rights preferred to sanctity of property, with government's chief concern for the poor.

Time To Take Sides

PUBLIC OPINION is stubbornly divided on the appropriation of $4,000,000,000 to be spent by Mr. Roosevelt.

Those opposed to appropriating more money base their opposition on the failure of the $31,000,000,000 already appropriated by Mr. Roosevelt to relieve the depression.

Those supporting the President in his new spending policy maintain that the underfed and the unemployed must be cared for at any cost.

Several Democrats, who are opposed to the President's spending policy, nevertheless voted to support Mr. Roosevelt's plan because, as they point out, it would be political suicide for them to vote against it and thereby invite incriminations from the jobless and underprivileged citizens in their home districts.

Might it be suggested to opponents of the spending program that this is the opportune moment to reconsider a policy advanced by Father Coughlin—and rejected almost unanimously by industrialists, insurance companies and financiers. It is this: For years, Father Coughlin has been advocating that the coining and regulation of money be restored to Congress. This implies that such power be removed from the privately owned Federal Reserve Bank whose policies are now dominated by the Federal Reserve Board, members of which are creatures of the President.

The Federal Reserve Act of 1913 was a first step toward dictatorship. By permitting the President to appoint a subservient Federal Reserve Board, Congress indirectly surrendered its right to coin money and supervise its appropriation. In a democracy the coinage of money is the prerogative of the people's Congress. Delegation of this authority, whether it be a Federal Reserve Board appointed by the President or the issuance of credit money by private banks, is an invasion of and compromise with pure democracy.

Thus, 1913 sowed the wind and we reap the whirlwind. Congress, independent of the President, must appoint the board and supervise the appropriation of money as well as its issuance.

We are, in fine, in the midst of a contest between a dictatorial-minded President and the Congress of the United States. The President desires to operate the nation through bureaus and not through the duly elected Representatives of the people; Congress, if it gets support from home, wants to do the work outlined for it by the Constitution.

As long as the President controls, directly and indirectly, the coinage of money and the regulation and spending thereof, the tide is moving in his favor, because political considerations prevent Congressmen from voting against appropriations for relief as well as voting for measures for economic reforms.

Eventually, industrialists, insurance companies and financiers must take sides either with Presidential supremacy or with Congressional ascendency. Eventually, they must adopt Father Coughlin's' seven-year-old campaign principle of restoring to Congress its right to coin and regulate money—else, by 1940, Mr. Roosevelt will have reconstructed all his broken-down fences so perfectly that it will be sheer idleness for any candidate to oppose him or his henchmen.

Perhaps, on the other hand, Congress will refuse to seize the opportunity now presented to it; perhaps Mr. Roosevelt, having arrived at the necessity of altering our financial structure, will choose to redefine money "as a receipt for wealth." If this turns out to be the case; if the President acts to abolish the issuance of private credit and determines to issue government money based on the wealth of the nation in place of money now based on the debt of the nation, we will be glad to support him to the last ditch.

In conclusion, it may be worthwhile noting that thousands of persons have invited Father Coughlin to protest against the spending policy of Mr. Roosevelt. As a matter of fact, the radio priest has declined these invitations for two reasons.

First, because the five-year-old emergency is still with us and the poor need to be cared for; and, secondly Mr. Roosevelt is planning to issue this new emergency money against our idle gold, which means that the taxpayers will not be obligated to repay it through interest-bearing bond borrowing.

Meanwhile, readers of SOCIAL JUSTICE are urged to keep up your barrage of letter writing. Let your Congressman and Senator know that you are watching with approval his votes in favor of social justice.

Demand that Congress immediately issue money against the wealth of the nation and stop borrowing fountain pen dollars from private bankers.

Furthermore, prevail upon five of your friends to write similar letters.

Your letters defeated the World Court, the packing of the Supreme Court and a dictatorial Reorganization bill: you and your fellow Americans can rescue the nation from the hands of the Money Changers.

Our Great Banking System

DO YOU REMEMBER? Of course you do!

In 1927, 1928 and 1929 the privately owned banks handled more than one-trillion 100-billion dollars worth of checks for the United States of America per year. Of course, under the Roosevelt prosperity last year this figure shrunk to approximately 400-billion.

In the former years the bankers were preaching the gospel of thrift as they issued their billions of dollars of check money into the stream of business, industry, commerce, labor and agriculture. No service was charged to cash a check. No service was charged to change a hundred dollar bill. In fact the bankers' agents were busy advertising thrift even to school children who would open a dollar account. To the factory laborers they offered fancy wrist watches, clocks and sundry other high pressure enticements to deposit your dollar weekly in some bank. To the merchants they offered a handsomely printed check book on which was emblazoned the merchant's name.

What a change! Today, bank depositors are few and far between. No more wrist watches; no more free service, because the banks charge you money to cash a check and, in some instances, charge you money to change a hundred dollar bill! The trillion-dollar check exchange which characterized the Hoover regime is no more. The banks and the banking system are on their last legs although they are making a heroic struggle to deceive the public that there is nothing rotten in Denmark.

Alas for Mr. Roosevelt with his banking reforms! The only "drastic" reforms he instituted are that the Government insures deposits up to $5,000 and that, in its kindliness, the Government has freed owners of bank stock from the double liability!

What a boon that is to bankers!

Again, alas for Mr. Roosevelt! By 1940, if he continues with his efforts to sustain an obsolete banking system which conducts the business of the nation on fountain pen money, he will experience a bigger and better depression than was ever imagined by Herbert Hoover. It will result in washing out the New Deal entirely and in writing a sad epitaph on the tombstone of Mr. Roosevelt.

This is not our wish. Preferably, it is our desire to see him succeed. But success can only come by his issuing money against the wealth of the nation and by his accepting the sound, definition that money is a receipt for wealth.

Gold is no more wealth than is wheat, shoes, refrigerators, cotton, steel and motor cars. If you can issue a dollar bill against a piece of gold, it is just as logical to issue a dollar bill against a bushel of wheat, a pair of shoes, a keg of nails or a hundred pounds of cotton.

When will the brain trusters at Washington recognize that the banking system that they are supporting is their Nemesis?

When will they recognize that the money system to which they cling is their grave?

The handwriting is on the wall in the facts which are presented by the banks themselves.

Wrecking The U.A.W.

WHEN the C.I.O. embarked upon an orgy of law breaking one year ago, it was suggested that control of the union's affiliates had passed into the hands of Communists. Committed to destruction of the social order, it was logical that the Communists should not hesitate to corrupt labor for their own ends.

As various C.I.O. unions signed contracts with manufacturers, thus coming within the pale of the law, it behooved these radical agitators to stir disorder by other means. This they did effectively with "wildcat" sit-down strikes, "quickie" strikes, walkouts and riots.

Still, an unconvinced fringe insisted that these disorders were but natural offshoots of unionization; that in time all would be smoothed over, and that any criticism of Communists in the C.I.O. was mere "red-baiting."

The situation was epitomized in the C.I.O.'s United Auto Workers Union, where President Homer Martin struggled vainly to put down lawlessness and to achieve harmony within the ranks. Plagued with usurped authority, irresponsible leadership and factional strife, President Martin pleaded for sanity and for repudiation of radical leadership.

Now, the clandestine Communists have brought into the open the secret part they played in the whole business. They have admitted that their organizers were responsible in great part for setting up the U.A.W. structure, and that unionists devoted to the Communist creed of destruction led astray honest workmen who sought to better themselves by joining the union.

The admission is made grudgingly in the Communist *Daily Worker* on May 10, as part of a plea that Communists be given their proper share of the spoils in the factional fight. We quote from the article, "'Factionalism, the Enemy of the Auto Workers."

"The Communist party *which has played no small part in building up the U.A.W.*, and which counts among its ranks some first rate organizers that have done very substantial work in the building of the union, has always been and is at the present time for an end of the factional struggle. If it has given support to the unity group, it did so only out of consideration that this group stood for abolition of factionalism."

In other words, the *Daily Worker* makes three admissions extremely damaging to the cause of the U.A.W. as a responsible union: (1) The Communist party was and is an important factor in founding and extending the U.A.W. (2) Crack Communist organizers were employed in selling the U.A.W. to the workers. (3) Communists now support the "unity" bloc within the U.A.W. ranks, opposing President Martin's "progressive" faction as too conservative, too orderly, and too hostile to Moscow destructiveness.

If the Reds sent their best organizers to the U.A.W., it is likely they did the same for other C.I.O. unions. Whether or not the *Daily Worker* realizes it, in effect it is signing the C.I.O.'s death warrant in making these admissions. Communists, and the C.I.O.'s tolerance and espousal of them, form the gravest menace to American unionism today.

The Week in the Nation

ADMINISTRATION

President, Priming, Patronage

BACK FROM his fishing trip, President Roosevelt this week weighed the political situation and found it rather to his liking. The old rule that "he who controls the patronage controls the votes," still holds true, he learned. The primaries in Florida and Alabama gave that indication.

In addition, a rush back to the fold of bolted Democrats to line up behind the huge lending-spending program indicated that where patronage was concerned the nation's Chief Politician and all the Subordinate Politicians see eye-to-eye.

In the House, the main part of the lending-spending, or pump-priming program, was given approval in a 329 to 70 vote to loose $3,054,425,000 of the proposed $4½-billion program. Party lines, split and shattered in the reorganization and wage-hour fights, were stitched together as pork seekers hastened back to the trough.

Indication was that no matter who opposes titanic spending and on whatever grounds, he will forget hostility and opposition when it comes to demanding his proper share.

To The Senate

To the Senate then went the House bill, which signed the following checks:

For work relief $1,250,000,000;

For public works $965,000,000;

For farm security $175,000,000;

For N.Y.A. (national youth administration) $75,000,000.

Remaining $1,500,000,00 of the $4½-billion program already has been disposed of in legislation relating to the R.F.C., C.C.C., and highway building.

Outcome

After favorable Senate action, which seems assured, the money will flow out to Congressional districts where administration strength needs bolstering. In the House debate on the bill, attempts to "earmark" the funds received little attention. The pork barrel is a presidential pork barrel. As such local, state and national politicians can take it or leave it.

Like the farmers controlled under A.A.A., they cannot afford to leave it; they must take it, even though they realize they are hereby putting themselves under the presidential thumb.

POLITICS

Roosecrats and Republicans

OUTLINED sharply this week for Policy-Maker Glen Frank and Generalissimo John D. M. Hamilton, of the Republican party, was the need for legs to stand on.

Remnants of the G.O.P. scattered through the Senate and House, lost in the maze of opposition-partying, heretofore have concerned themselves with firing pea-shooter barrages, neglecting to seek a constructive program.

Poised on a belief that the Roosecrats would destroy themselves if given enough rope, Republican party policy to date has been that of watchful waiting. Victory of Senator Claude Pepper, whole-hog New Dealer, in the Florida primaries pointed to this fact, however: The New Deal political machine can't be whipped merely on opposition oratory and criticism, however just.

DR. GLENN FRANK, G.O.P. "policy maker." He faces task of moulding a definite program for Republicans who, to date, have been merely the opposition party. (Acme)

Its own leadership in doubt, Republican feeling has swung, like a weather vane in political winds, from Vandenberg to Hoover, to Borah, to Landon. Task facing Republicans was: Settle, first, the question of leadership; settle, second, the question of policy; settle, last, the question of policy-presentation.

National Progressives

If the question of leadership burned in the brains of G.O.P. chiefs, no such question bothered the Wisconsin La Follettes, already embarked on a tangential political venture, whose course at this date none can chart.

Taking his place in the harness alongside his brother, Senator Robert M. La Follette leaped to national attention with a radio address denouncing Democrats and the status quo. Thus joined at the head of National Progressives of America stood: Wisconsin Governor Philip Fox La Follette; Wisconsin Senator Robert Marion La Follette. From these two must stem subsidiary leadership of the new Progressive movement.

Throwing the fire of a campaign speech into his radio talk, Senator La Follette scoffed the theory that capital was on a "sit-down strike" against Mr. Roosevelt, and set blame for the new depression on the White House steps.

"They (business) may damn him (Roosevelt) out of office hours, but they will not cut their economic throats just for the fun of seeing their own blood bespatter a political enemy. No: it was not a conspiracy planned or otherwise. It was the paradox of idle capital and idle men with the resultant failure to produce enough real wealth and purchasing power, that caused the present crisis," the Senator thundered.

Roosevelt Problem

The President may not have liked the Senator's verbal destruction of his favorite economic theory: scarcity; but of even less relish to him was the problem of strategy presented in the birth of the National Progressives.

The problem: To regain or retain the mantle of progressiveness which the New Deal has claimed. Mr. Roosevelt now must become more progressive than the Progressives; must shoot still further to the left.

Covertly, Mr. Roosevelt has indicated that he would.

LABOR

Uncovering N.L.R.B.

DROWNING in the sea of its own misdeeds and shortcomings this week was the National Labor Relations Board.

Accused, on the Senate floor and in the press, of C.I.O. bias, the board found it increasingly difficult to dodge the charge: had thrown at it evidence that a "leak" on the board permitted the C.I.O. to know in advance what board decisions were to be.

Representative Clare E. Hoffman of Michigan produced a copy of the *United Automobile Worker*, organ of the C.I.O.'s United Automobile Worker's Union, to prove the accusation. The paper, dated April 9, 1938, carried a story on the N.L.R.B.'s order to the Douglas Aircraft Co., Inc., to reinstate 45 discharged sit-down strikers.

The information, Representative Hoffman pointed out, was not released generally until nearly the middle of May. The inside information was used, he added, to attract new U.A.W. members; wring dues out of those delinquent in their payments.

The Congressman said he believed someone on the inside had access to confidential information in the board's files; didn't hesitate to pass this information on to those of the C.I.O. whom it would benefit.

Hoffman introduced a resolution asking a congressional inquiry into "biased and unfair" administration of the Wagner Act, under which the N.L.R.B. operates. Thirty charges of unfairness were appended to the resolution.

Judicial Inquiry

As the board parried Representative Hoffman's accusations, other troubles assailed it in connection with its order against the Ford Motor Co.

The United States Circuit Court of Appeals at Covington, Ky., refused the board's petition to withdraw its records in the Ford case, thus preserving for a flank attack by Ford attorneys, the entire history of the board's star-chamber proceeding against the motor company.

The court previously had permitted the withdrawal of the board's petition for an enforcement order against Ford. Behind action of the Ford legal staff in blocking removal of the record was their hope of pressing a judicial inquiry into the board's proceedings — a potent danger to the future of both the N.L.R.B. and the Wagner Act.

The incident emphasized again major shortcomings of the Act and of the board. The act penalizes members of independent unions; harasses employers; permits domination of minority employes and coercion by unions.

Kennedy Loses

When Joseph P. Kennedy was lifted from the chairmanship of the Maritime board and shunted off to England as Ambassador to the Court of St. James, his row with Madame Perkins, secretary of labor, became public.

Mr. Kennedy had swapped policy punches with the Madame over maritime labor conditions. He maintained it was "futile to spend a dollar" for improvements in the American Merchant Marine until "chaotic labor conditions" were cleaned up. At a Senate hearing, it was testified that maritime labor had fallen under the influence of Communists on both coasts.

Mr. Kennedy's suggestion was: Clean out the Communists and restore order to the Merchant Marine before making further subsidies or improvements. Set up a maritime labor mediation board patterned after the successful Railway Labor Mediation Board.

Miss Perkins rejected the suggestion, saying that maritime labor "was not ripe" for such grievance machinery, throwing her full strength to the protection of C.I.O.-Communists, including Alien Harry (Dorgan) Bridges.

With Ambassador Kennedy across the sea, the Senate Commerce Committee, at the behest of the Senate Education and Labor Committee and Miss Perkins, threw out the Kennedy recommendations; included in the Merchant Marine Bill a vacillating provision for a maritime labor "planning board."

The proposed board, having no powers, is a mere advisory body to clutter up an already badly chaotic situation. Its only function is to recommend a suitable maritime labor policy "before March 1, 1940." In other words, for two or three years at least, the Communists will be permitted to dominate labor in the merchant marine. Then, the Federal Government will step in with regulation, after the damage has been done.

Result of the committee action: A victory for Miss Perkins; testimony that Mr. Kennedy was sent to England for reasons more real than apparent.

Ever Widening Breach

Week by week hostility between the A.F. of L. and the C.I.O. is extended as successive clashes burn peace bridges behind John L. Lewis and William Green.

Itchy for political power, neither Lewis nor Green would make the slightest concession for the sake of labor unity at this time. Expelled from A.F. of L. now are all the original suspended C.I.O. unions save the Ladies' Garment Workers' union, headed by David Dubinsky.

The latter labor leader remains indetermined as to the future course and that of his union. Still nominally within the A.F. of L., Dubinsky has said he will not join Lewis' proposed C.I.O. permanent federation. His rift with Lewis broadened this week as he rejected the chairmanship of the C.I.O's housing committee.

Will Mr. Dubinsky go A.F. of L., C.I.O., or Independent? This week only Mr. Dubinsky knew.

The Week in the World

MEN and EVENTS

Mexico

COINCIDENT with the severance of British-Mexican diplomatic relations—ostensibly over the government's confiscation of oil properties—an uprising of Gen. Saturnino Cedillo's anti-Communists is reported from the rural provinces.

Resentful of a stern British demand that confiscated oil properties be paid for, Mexico accompanied an $85,000 check with the recall of its ambassador to London. Britain's prompt recall of its Mexican envoy left newspaper readers puzzled.

Unless one remembers that Mexico is being advised by the Communists, its diplomatic actions will continue to be puzzling. As disclosed elsewhere in this edition of SOCIAL JUSTICE, the Communists' headquarters for world revolution have been moved successively from Vienna, to Spain, to Mexico City. Mexico's Christian majorities will no doubt rally to support Cedillo's uprising.

While we have no wish to commit our country or ourselves in any factional revolt in a friendly neighboring country, Christians always will pray for the success of forces opposed to Communism.

Italy

Provocative remarks by American statesmen against the form of governments preferred by other peoples, drew fire from Premier Mussolini who told a cheering Italian audience that if the "democracies" seek to wage a "doctrinal war" they will find the totalitarian states marching together in a common bloc.

Il Duce's defiant rebuke was addressed specifically to Secretary of War Harry M. Woodring's "crack" of May 5, to the effect that the provocations of dictators might some day lead democracies to war. It was simply another parroting of the President's own generalizations at Chicago when he chose to challenge the aggression of dictators generally.

The peoples who prefer "totalitarian dictatorship" to "democracy by politicians," naturally will not welcome the impertinence of outside criticism of their choice. At the moment, the conferences of dictators looking toward alliances for peace are a more definite contribution to international good will than the carping generalities of "democratic" spokesmen borrowing, too often, both the language and the program of international Communism.

China

Once more there is demonstrated the futility of any invader's attempt at the "conquest" of China. After a nine months campaign the forces of Japan are stopped by stubborn resistance. With all their knowledge of the orient, the wise men of Tokio have been upset by China's reaction. With a smashing drive which captured Nanking last December, Japan fully expected a demoralized China to surrender supinely for another chapter of Japanese development and occupation.

Surprisingly, a new national unity—recruiting a force which daily grows stronger—appeared in China. Japan, stopped in the south Shantung area, cannot afford to withdraw any more troops from Shansi and Honan provinces where Chinese already have taken advantage of reduced Japanese garrisons to establish a buffer zone.

Time runs in favor of China. Every hour and week further exhausts the man power and finances of the invader; daily, the New China grows stronger. A new version of history will be written in the Far East—new, that is, for modern times. Actually, it is as old as Ghengis Khan and the Mongol dynasties. Successively, the would-be conquerors of China have been exhausted or absorbed.

The united Chinese armies are enspirited by a new exhuberance. They appear to have surrounded and all but annihilated a superior Japanese army. Japan has munitions and military superiority—China has only man power and the will to win.

Japan's force in China is estimated at 500,000 to 600,000 troops—virtually half her total army, with 300,000 on duty to maintain her conquest of Manchukuo. China has an estimated million and a half men under arms with 500,000 trained for service in the front lines and 500,000 more reserves under training of German instructors.

Says Generalissimo Chiang Kai Shek, history's man of the hour in the East:

"The morale of our people has not been demoralized by Japan's unspeakable barbarism, like burning, slaying and looting. They have come closer in understanding and unity. They will sacrifice everything to save their country. *I am more confident than ever that we will achieve final victory.* Our people have the will and the courage, and even if they lack equality in armament, our spirit makes up all the deficiencies. We are capable of undergoing any hardships to achieve victory . . . "

If Franco wins, the infante, DON JUAN, son of Ex-King Alfonso of Spain, shown here with his wife, may be enthroned as the ruler of Rightist Spain. (Acme)

Japan

Two syndicates, organized under the direction of the Japanese army and government, are to exploit the captured provinces of China. One, the North China Development Co., is to be capitalized at $102-million; while the Central China Promotion Company will be capitalized at $29,-million. The Japanese government will underwrite half the capitalization of each company.

The Japanese government, together with her puppet Manchukuo government and the South Manchurian Railway company, will finance a third development which aims to colonize a million Japanese in the captured territories within the next twenty years. Japan's previous efforts at colonization (on the lines of our own Matanuska adventure) have not fared so well.

A sum equivalent to $350-million is to be spent in a five-year emigration scheme under a syndicate to be known as the Japanese Manchukuo Development Co. Japanese and Manchukuo governments have subscribed 15-million yen, the railroad 10-million, and a further 10-million yen will be subscribed by private interests. One hundred thousand families, each consisting of five persons, are to be financed by long term loans and moved from Japan to farming villages in the first five years, according to the scheme. Interest rates running at 4 and 5 per cent will repay the investors.

Meanwhile Europe and America are wondering if Japan is attempting to do to China what England did to India in 1757.

Brazil

Signaled by a night attack on the president's palace, a rebel coup by Brazil's "fascist" Green Shirts was promptly put down. President Vargas, alone with his wife and daughter and two family servants, was compelled to hold off the mob by revolver fire from the palace windows until police and a loyal garrison arrived. The bodies of 20 rebels picked up in the palace gardens attested to the 54-year-old dictator's marksmanship. Eighty of the palace's guard of 100 were reported to have joined the uprising. Simultaneous attempts to seize the naval air ministry, military airdrome on Governor's island, and a radio station were likewise suppressed. President Vargas has repeatedly denied that his "totalitarian constitutional corporative state" is "fascist."

French Premier EDOUARD DALADIER is shown leaving No. 10 Downing Street, London after signing the Anglo-Franco Defense Pact. (Acme)

Germany

"Anyone who has talked to Chancellor Adolf Hitler before and after he seized the reins in Germany, any one who has intelligently read *"Mein Kampf,"* knows his thoughts on fundamental questions and is not surprised by Hitler's so-called 'surprises'," writes George Sylvester Viereck in a recent issue of *Liberty* magazine on the subject "What Hitler Will Do Next."

According to this recognized German authority, whose by-line is familiar to readers of SOCIAL JUSTICE, Hitler's basic objectives are as follows:

1. An understanding with Italy and England; friendship with Japan and (if possible) with the United States.

2. Liberation of Europe from the hegemony of France.

3. The destruction of "international capitalism" and "international Marxism" which, to Hitler, represent two faces of Judaism.

4. Consolidation, so far as possible, of all Germans in mid-Europe under the flag of Greater Germany.

5. German leadership in Central Europe; the penetration of the Balkans with (but not against) Italy; and the resurrection of the road from Berlin to Bagdad with (but not against) Great Britain.

6. Restoration of Germany's colonies and the acquisition of raw materials on a gigantic scale.

7. Expansion in Europe at the expense of Russia.

"In his bold attempt to complete Bismarck's work, Hitler is determined to consolidate eventually 80-million Germans in the heart of Europe," Viereck writes. "His first move will be to consolidate his gains, to penetrate the Danubian countries economically and psychologically. In pursuit of this destiny Hitler will try to make Vienna more important than it was in the days of the Hapsburgs. Vienna is the great gateway to the markets of the Balkans and the Orient.

"All the countries along the Danube, save Czechoslovakia, are friendly to Germany. The Fuehrer may permit Czechoslovakia to flourish as an independent state, if she severs her alliance with Bolshevism and grants complete autonomy to her German citizens. If Czechoslovakia continues to deny complete equality to Germans, Hitler will march again at the psychological moment. He has no designs upon the independence of Roumania or the Ukraine (now held by Soviet Russia), but he will not rest until he has unimpeded access to the oil of one and the granaries of the other."

Hitler sees England and Italy as Germany's logical allies and believes in co-operation with them. He desires friendly relations with the United States, but is frankly puzzled by what he regards as the persistent antagonism of the American government and a large part of the American press to a powerful Germany. "Hitler," writes Viereck, "can understand that many Americans may disagree with his political philosophy, but he cannot understand why the democracies do not appreciate his fight against Communism."

REBELLION IN INDIA

Oppressed by Mounting Taxation Due to an Inextinguishable National Debt, the Exhausted People of India Arose in Revolt Against Their Exploiters. The Uprising — Known in English History Books as the "Sepoy Rebellion" — Was Promptly Put Down. Exploitation Has Continued, Under Official Auspices.

by Ben Marcin

INDIA IN 1857 was a seething mass of discontent, due to the inhuman injustices that were perpetrated by her exploiters. For nearly two centuries the foreign yoke of the British East India Company had reduced India to pauperism. The pressure became unbearable.

On May 10, 1857, the exhausted Hindus resisted, and with the last vestiges of their strength rose up to gain their independence. Their rebellion was suppressed with diabolical ferocity—even to blowing them to bits from the mouths of cannon. The *London Spectator* stated that "at least 100,000 Indian lives were taken" by the British forces. The English call this the "Sepoy Rebellion;" but in India, it became known as the War for Independence.

By 1858, the gross crimes of the British East India Company had penetrated into the consciousness of the English people and they demanded justice. An investigation brought out the facts and, as a result, the charter of the British East India Company was revoked and the British government took over the direct management of Indian affairs.

Control of the administration was assigned to a new ministry presided over by an added Secretary of State and known as the India Office. To advise the department, a Council of India was created, consisting of from ten to fifteen members—at least nine of whom must have served in India for ten years—appointed by the Secretary of State for a term of seven years. As a result, India continues to be governed, in the main, by the English in India rather than at London, and this means by the international House of Sassoon!

THE REFORMS of 1858 were improvements in theory only; the substance—exploitation — remained and has grown steadily worse.

First of all, the Sassoons forced the British government to pay handsomely for the charter rights of their East India Company. That the charter had paid for itself many times over did not matter. The Sassoons then added to the purchase price of the charter rights the public debt of India—to be redeemed principal and interest, out of the taxes placed on the exploited Hindu people and covering every bare necessity of life! Originally at 10½ per cent, the interest rate has been scaled down to 8 per cent over half a century—thus, usury was added to inhuman cruelty, and the gigantic swindle marched on.

Suppressed statistics on the national debt of India tell an incriminating story. In 1792 the debt was $35-million, in 1829 it was $150-million, in 1845 it was $215-million, in 1858 it was $350-million, in 1901 it was $1-billion; in 1913 it had become $11½-billion and in 1929, $31½-billion. In other words, from the time of the rebellion of 1858 to 1929, the burden of debt on the peoples of India was increased by $8-billion! It is an old story in international finance — a classic example of a people enslaved by the hopeless burden of inextinguishable debts, predicated on the private control of money.

The Sassons, intermarried with the House of Rothschild, were given all necessary English financial backing. One must remember that in 1844, under the iniquitous charter which the privately-owned Bank of England had wrested from the English people, the Rothschilds obtained control of the silver of the British Empire. By it they were enabled to establish the gold note which, until recent date, has been the currency of most of the countries of the world. Finally, it permitted them, together with the Sassoons, the Montefiores and the Montagu Normans, to use the sovereign power of a government to control money and credit—and thereby to regulate prices and wages and the economic welfare of people of the various nations who succumbed to their private system of money control.

ENGLISH liberals like Macaulay, Munro and Bentinck exerted a powerful influence in England around 1832. In 1829, Lord Bentinck decreed the abolition of the suttee—the immolation of widows with their dead husbands—but he openly acknowledged that he would not have been successful had it not been for the unseen work of the Christian missionaries. In 1833, the British parliament outlawed slavery throughout the Empire releasing over a million slaves in India.

With British capital, which had been siphoned through taxation from India, they had built railways for commercial and military purposes, had introduced the factory system, established some schools, their scholars revealed to the Western world the cultural wealth of India's past and they introduced to the East the democratic ideals of modern Europe.

What price was paid for these benefactions? In the first place, the British East India Company expropriated state after state, either by bribery, force or the simple decree of Lord Dalhousie that whenever a Hindu prince died without leaving a direct heir, his territory should pass to the British company. In Dalhousie's administration eight states were absorbed in this peaceful way, according to R. C. Dutt in his "Economic History of India Under Early British Rule." Princes, given the alternative of a peaceful pension or a bloody war, usually took the former.

During the nineteenth century alone, it is reliably estimated that England carried on 111 wars in India, using for the most part Indian troops. Millions of Indians died that India might be kept in economic bondage. The cost of all these wars were met to the last penny out of taxes.

INDIA'S taxation was—and is—most oppressive. One of the severest is the salt tax of half a cent a pound. The British government has a monopoly on the simple necessity of salt, demanding a tithe for everyone to use it. Repeatedly, Indians have attempted to make their own salt but have been promptly penalized by the British.

As late as 1921, a few of these penalties used by General Dyer, were to make all offenders crawl in the streets and if they tried to rise, they were promptly clubbed with the butts of British guns; flogging in the public square until the victim was insensible; confinement in an open cage, unprotected from the sun after lime had been poured upon their naked bodies; discontinuance of electric and water supplies, and confiscation of fans from the sick relatives of the offenders.

The annual income for more than 100-million of India's population is not more than $5 a head. Hyndman in his book, *"The Bankruptcy of India,* gives detailed proof that taxation in India is far heavier than in any other country in the world, although its population is poorer. It is generally conceded that the general level of taxation is from three to five times higher than under the pre-Sassoon rule.

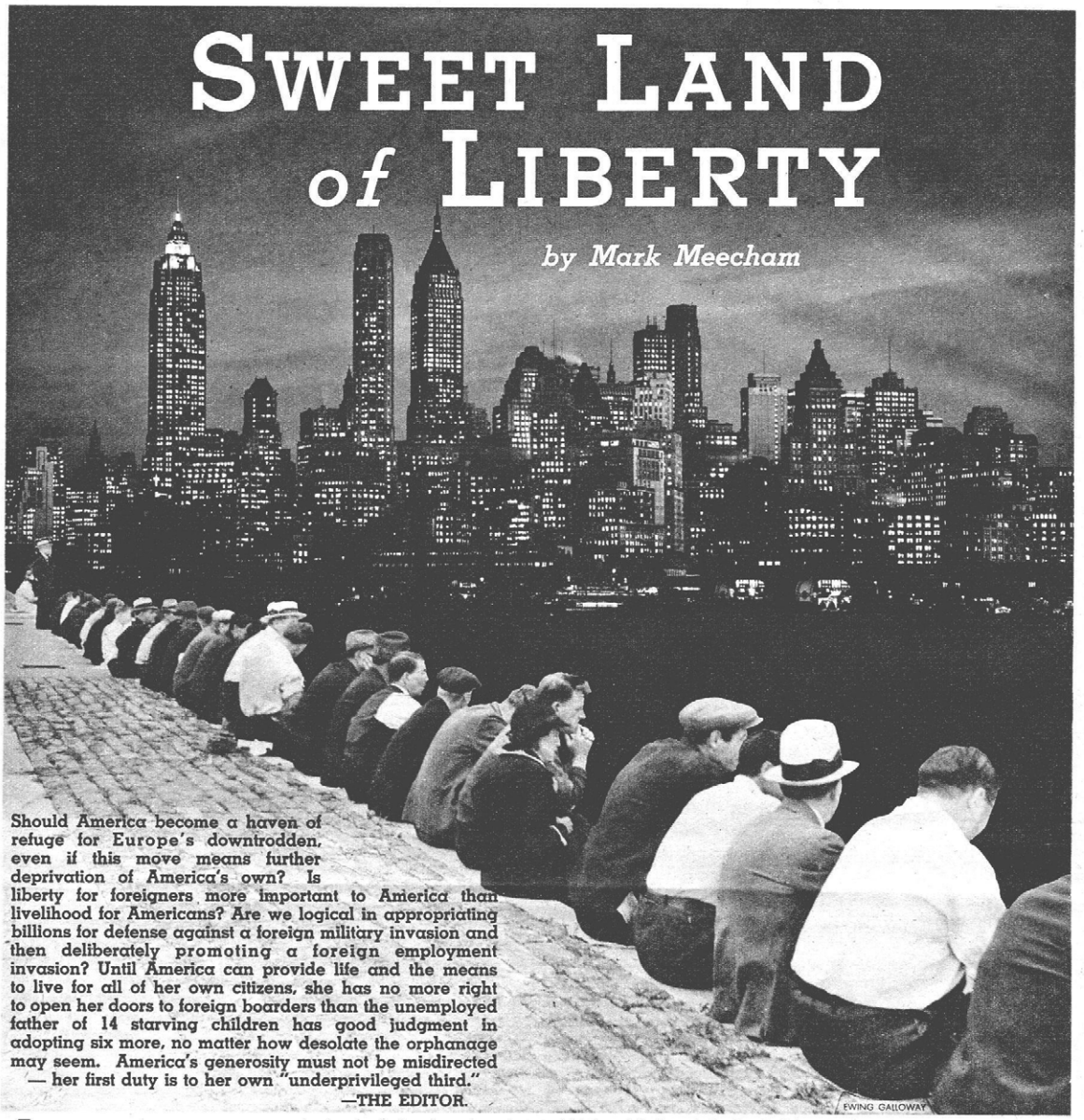
Finally, to add insult to the injury of this unjust taxation, the government treats itself, at staggering cost, to gigantic official buildings. For seven months of every year it transfers the capital now at Delhi, with all its machinery and personnel, to vacation resorts in the mountains, at the expense of millions of dollars, and periodically it holds gorgeous Durbars, duly to impress the poor Indian population who unknowingly provide the money for all the ceremony.

There is indeed, overwhelming evidence that the British ownership of India, under the exploitation of the House of Sassoon, has been a crime crying to heaven for vengeance. The plunder has gone on, almost beyond human endurance! Truly this is history you should know!

WORLD WIDE

SWEET LAND of LIBERTY

by Mark Meecham



EWING GALLOWAY

Should America become a haven of refuge for Europe's downtrodden, even if this move means further deprivation of America's own? Is liberty for foreigners more important to America than livelihood for Americans? Are we logical in appropriating billions for defense against a foreign military invasion and then deliberately promoting a foreign employment invasion? Until America can provide life and the means to live for all of her own citizens, she has no more right to open her doors to foreign boarders than the unemployed father of 14 starving children has good judgment in adopting six more, no matter how desolate the orphanage may seem. America's generosity must not be misdirected — her first duty is to her own "underprivileged third."

—THE EDITOR.

THERE IS NO ONE to whom the Statue of Liberty means quite so much as it does to the immigrant when he leans against the rail, and for the first time glimpses the huge, gray shadow emerging from its dusky base on Bedloe Island.

Take Andy Kaufman for instance. He strains his eyes for the first sight of Columbia. For him it is an electric, breathless moment. The slush-slush of the waves is the only sound which penetrates his consciousness, as he regards the massive symbol of his Shangri-La. Tiny pins and needles seem to prick him all over, and the hope that springs eternal surges anew in Andy's breast.

The exciting magic of Manhattan's skyline prohibits much serious contemplation, but there is cornered somewhere in Andy's befuddled brain, the confused notion of another America — one not so frighteningly awesome—a land free from strife and hardship, where he will have a little home of his own, and where he can paint houses — Andy was a house-painter—without the fear that to open his mouth may be to court his doom.

Maybe he will go to church and maybe he won't, but he wants the choice to be his. He sees in America a refuge—an escape from everything that was unpleasant in his homeland. What matter the jostling at Ellis Island, the inspections and tests, passports, visas and cross-questions? Soon he will be free—FREE.

Just what being "free" means, Andy has never considered seriously. He anticipates a life stripped of the discomfitures of the past, but his idea of the future has ever been of negative complexion. First of all, of course, there will be a job. There will have to be a job, or he will be unable to live. Then he will need a place to sleep and to eat.

His are not the problems of our ancestors who sailed into an unoccupied hemisphere a few centuries ago, to hew from that foundation the nation which now holds liberty among her people's most valued possessions. They came into a new world of opportunity—pioneers of a new civilization. Not so Andy. The frontiers of the 18th century have been leveled and a mighty nation has grown up on their site. But this new world, alas, has no need for Andy. The nation which he might have helped to build a century or two ago, now stands huge, inert, idle—and millions of its helpless civilians daily engage in earnest prayer for what England (back in 1930) disparagingly called the "dole."

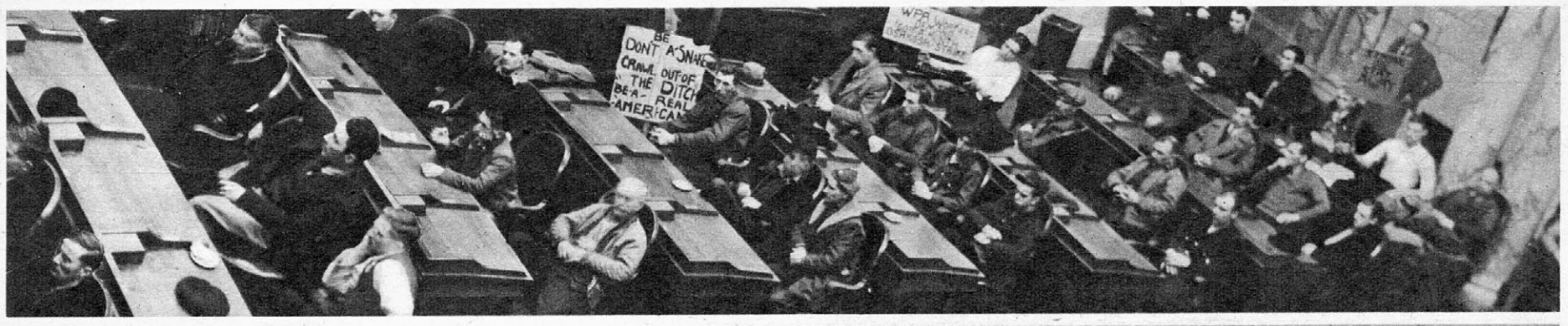
Today there are thousands of Andys knocking at our door. With mandatory exile in store for whole groups of European citizens, many are eyeing the American immigration laws with new-born interest. Where are these hapless Andys to go? Can the America of 1938 extend the same welcome to foreigners as did the America of 1620 and 1907? President Roosevelt and Secretary of State Hull believe that it can, and before Congress at this moment are three bills which seek to open our doors and extend that welcome.

At this very moment Congress is considering—not, mind you, what we will do with a million more citizens when we get them—but how we can circumvent our legally established immigration laws and quota restrictions and open our gates to the lost sheep of a hundred folds.

Truly there is nothing wrong with America's heart, — but what on earth could she be using for a head?

CONSIDER for a minute the case of Peter Smith. Smith is the father of three hungry-faced youngsters. His little home is neat, although it is no longer his. It was bought when there were jobs to be had and fewer little Smiths to be fed. The savings which were supposed to "tide them over" in case of unemployment, have long since gone with the tide, and still Peter is looking for a job. His home was foreclosed months ago, and it is only a matter of weeks until he will be obliged to inform Mrs. Smith and the children that they are homeless. Soon he will be able to get a W.P.A. job or relief, but that too will have disappeared by election time, and then what?

The Smiths in America are legion. Not hundreds or thousands, but millions — a recent statistical summary released by Mr. Harry Hopkins places the number at 18 million—persons on government pay rolls or being cared for at the expense of the United States taxpayers. And the same Mr. Hopkins is authority for the statement that approximately 7,000,000 of our



people will always be unemployed.

That is a fact which no amount of pump priming can counteract. It is the official finding of the Government that there are already in this country 7,000,000 more workers than there are jobs to be had—or by converse logic, there are 11,000,000 persons who should have employment but do not.

It is not morally wrong for America not to provide shelter for European refugees. But, until our 11,000,000 unemployed employables have been returned to work and a means of livelihood has been secured to all, it is wrong for her deliberately to deprive her own people of security by inviting others in to share their poverty.

The unemployed father of 14 starving children does no injustice to a set of orphaned sextuplets by not taking steps to adopt them. But he performs an injustice both to the orphans and to his own children when he takes six more youngsters into a home where only starvation abounds.

Mr. Roosevelt and Mr. Hull are in a position where they do not speak for themselves — but for the entire United States. It might be very noble for them to want to open their homes to persecuted Europeans, but it is flagrantly inconsiderate of them to invite guests into ours when they know that we cannot afford it.

In effect the new proposed "open door" policy says to Europe: "You poor, unlucky dears! Come on over and stay with us. Some of you can displace our workers, and those of you who cannot get jobs will be cared for by our taxpayers. You know we believe in liberty for everybody."

The best available current estimates report that the aliens on relief in the United States total at least one and a half million—in other words, our taxpayers are already assessed approximately one and a half billion dollars a year for the relief of aliens alone. And those not on relief are employed in positions to which jobless Americans aspire.

EVEN IF THE Declaration of Independence had never been written, the natural law itself would assure us the inalienable right to life. And few Americans have any illusions about it. They know that in order to live, men must work. "The preservation of life," writes Pope Leo XIII in Rerum Novarum, "is the bounden duty of each and all, and to fail therein is a crime. It follows that each one has a right to procure what is needed in order to live; and the poor can procure it in no other way than by work and wages."

Even when there is no work to be had, and wages are not forthcoming, men still have the right to live, be they American or otherwise. And though we may not like the idea of spending one and a half billion dollars a year to keep aliens in relief funds, we are obliged to do it—forever, if necessary—because we allowed them to come here.

Yet while we are preparing to spend $3-billion to ease the lot of 18 million under-privileged, three of our Congressmen have introduced measures to increase the number of these destitute.

Representative Samuel Dickstein, New York's Congressional leader of the anti-Nazi movement, offers H. J. Res. 637 for the relief of political and religious refugees. The resolution would authorize the Secretaries of State, Commerce and Labor to issue visas not used by aliens under previous quotas and to distribute these "invitations to America" at their own discretion.

The purpose of our immigration quota system in the first place was to establish a maximum beyond which our immigration total would not be allowed to rise. The Dickstein resolution turns the quota into a goal for which the United States should strive. It further provides that the unfilled quotas of previous years be now filled and added to this year's total. This resolution which has a fairly good chance of passing, destroys the whole purpose of the quota system and opens the wedge for its ultimate abolition.

The Celler bill, H. R. 10013, goes even further. It circumvents the existing immigration law forbidding entrance to persons likely to become a public charge or to persons whose passage has been paid by another, and allows the President to increase existing quotas to the extent that we will be able to take in *all* aliens who may apply for admittance from a country where they have been subject to "prosecution, personal abuse or indignity, economic boycott or social ostracism because of race, religion or politics." If passed, H. R. 10013 would take precedence over the Immigration Act of 1924.

Congressman O'Toole's contribution to the asylum plan, openly and completely pushes aside all existing laws and restrictions. His bill, H. R. 6245, provides: "That *notwithstanding any provision* of the laws, consular visas may be issued to *any alien* in *any* country whom the consul finds is of a class who are being persecuted on account of their race, color or political or religious beliefs," and that such aliens shall be entitled to admission to the United States regardless of any other provision of the immigration laws.

The Dickstein resolution is every bit as bad as the two bills, because whatever latitude it does not specifically allow, it does not forbid; it opens the way for as great an influx of immigrants as the Celler bill specifically provides.

WHEN A NEW factory first opens its doors in a town, it accepts all the workers' applications that it can get. But after it has operated for a time and employed all the workers it needs, it must become more selective and engage fewer new employes. Congressmen Dickstein, O'Toole and Celler would by no means suggest that a factory in their district dismiss a portion of its local employes and displace them with workers from another state. Yet when they place the problem on a national scale, they propose exactly that, with Europeans doing the displacing.

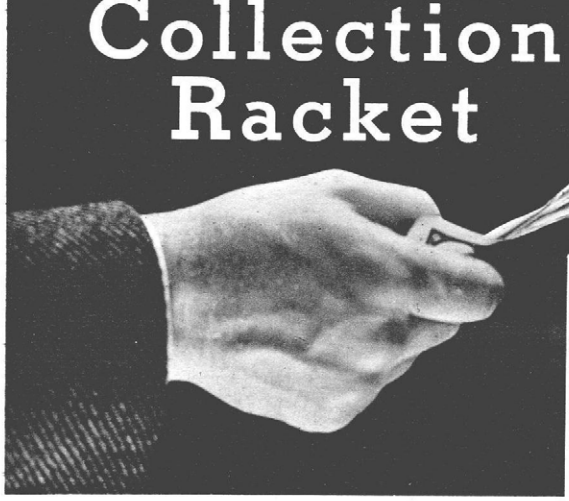
There is no true American whose heart does not ache for the persecuted minorities of Europe. But his first sympathy should go to the persecuted minority in America—the 30 million under-fed, ill-clothed, poorly-housed. We cannot base a 1938 invitation upon economic conditions of 1787. In the 18th century America had a world of opportunity to offer its immigrants. Today she cannot even give them bread unless she takes it away from her own people.

Whatever the good which might come from America's declaring "doors open" to half of Europe, it could not begin to compensate for the hardships it would inflict upon the already destitute masses of American jobless.

Exposing the Collection Racket

by Judge Joseph A. Gillis

Conciliation Division, Court of Common Pleas, Detroit, Michigan



Judge Joseph A. Gillis of the Common Pleas Court for the City of Detroit has established a national reputation by reason of his study and research on the subject of consumer credit. In 1933, he drafted—and had the Legislature of Michigan pass—an act which established a conciliation division in the debtor's court in Detroit. This procedure, designed to bring creditor and debtor together for the benefit of both, has given the court an opportunity to study the circumstances under which the debt was created. Through the medium of 61,000 cases handled, Judge Gillis has the finest laboratory in the United States in which to study these and related questions.

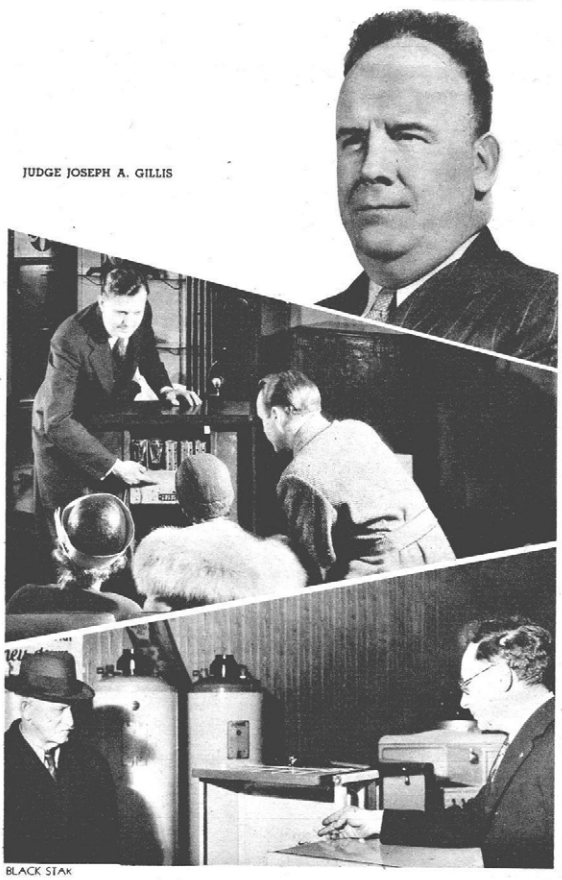
Students of consumer credit have commended the procedure developed by Detroit's Conciliation Court, and similar courts are being established in various parts of the nation. An official of the Russel Sage Foundation in his report on the court said:

"Judge Gillis has a genius for getting to the heart of a debtor's difficulty in minimum time. Debtors and creditors are scolded and sympathized with impartiality."

Mr. Marc Rose in an article, "Law and the Little Man" reprinted in the Reader's Digest of February, 1936, says: "An ingenious procedure was evolved . . . The court over which presides Judge Joseph A. Gillis, a kind of genius in the field of consumer relations, will hear the man's story . . . " etc.

In a series of articles which he has prepared for SOCIAL JUSTICE Judge Gillis has consented to point out the glaring abuses that have crept into the whole field of instalment selling, and the financing of these instalment contracts. The articles will attempt to cover all phases of instalment selling and should be of vital interest to national readers, the more so since frequent attempts to tell this story have always been suppressed.

—THE EDITOR.



JUDGE JOSEPH A. GILLIS

BLACK STAR

THE COMMON PLEAS COURT in the City of Detroit, consisting of nine judges, handles an average of 90,000 cases a year. The major portion of these cases deal with suits brought by merchants and commercial firms against citizens who have failed to pay their "legal debts." For the most part, these suits deal with that type of citizen who patronizes the weekly payment or monthly payment commercial house and who, through circumstances generally beyond his control, has missed a month's payment on a piano, a motor car, a refrigerator or some other commodity.

From forty to fifty commercial firms, 80 per cent of these cases originate. These forty or fifty firms are expert in pleading their cases because these firms predicate their annual profit not only upon the possibility but upon the likelihood of seizing a motor car or a refrigerator or a new dining room suite after the citizen has made six or seven payments. Having won a suit in court to confiscate the article that was purchased on time payments, the commercial house rejuvenates the article and sells it over to some other citizen with the hope of eventually bringing suit against him after several weekly or monthly payments will have been made.

Thus, these firms have able and efficient legal staffs highly trained in the use of powerful collection weapons and in the artifices of law relative to seizure. These lawyers have the benefit of widely extended credit and investigation bureaus.

Of the 90,000 defendants summoned into court every year, fewer than 10 per cent have the benefit of legal counsel. They cannot afford to hire an attorney and many do not even appear before the court because they feel that they will be unable to cope with the attorneys of the business institutions. The few who do appear are lost in the maze of legal entanglements and the debtor has a judgment taken against him.

THE COLLECTION of this judgment may be enforced in two ways: An execution may issue against the defendant's property that is not exempt. His automobile or radio may be seized and sold by a constable for a small fraction of its actual value to apply on the judgment. The second, and the more prevalent method of collection, is to place a garnishment against the defendant's wages.

The Michigan garnishment law is unusually severe. By garnishment, a creditor may attach 70 per cent of a debtor's wages if he is single, and 40 per cent if he is married. In addition, the householder is exempt only up to $15 a week, so that a creditor may take all the wages over that amount in any week, or all over $30 from a two-week payday.

Take for example a working man who has been unemployed for several months. He naturally accumulates several debts. He will owe the doctor, the grocer, the landlord, the milkman —and a commercial house. The first four creditors have had personal contact with the working man and his family. They know his wife and his children. They know the heroic struggle the mother has been going through in the attempt to make both ends meet. They know, for example, that the man is employed in the automotive industry and is the victim of seasonal employment with its long layoffs, and that now he has been unemployed for several weeks, possibly months.

They need the money but they know the man is out of work through no fault of his own. They do not expect him to rush down with his first pay after months of unemployment and pay his debt to them, in full. They know it will take several pay days to get his family back on its feet. They know he probably has been receiving aid from the welfare and, of course, they do not have an efficient department of investigators to pursue the debtor.

To the commercial house, however, the man is merely an account on its books — and there are thousands of them. At a minimum cost they have had his account reduced to a judgment while the man is still unemployed. They have a constant check on him so that when he returns to work, they are ready to step in and garnishee his first pay.

VISUALIZE, if you can, the working man who has been out of work for

several months and finally gets his old job back. The automotive industry in the past has paid the man every two weeks. The payroll takes time to prepare so that several days are held back and the man would have to wait approximately 20 days before his first pay. Looking forward to his first pay day in months, the worker and his wife are happy planning how they will spend the $70 he will receive for long needed necessities and how most justly to apportion it among the man's creditors. Payday comes, the man goes to the pay office to get his $70, and finds that the Blank Finance Company, or the Blank Radio Sales Corporation, has seized $40 by virtue of a garnishment based on a judgment that had been taken against him over the sale of an automobile or a radio, which they had repossessed long ago! Explain, if you can, to that working man, that this is justice.

Establishment of the conciliation division allows any working man to come into the court and file a petition setting forth that he has a judgment or judgments against him and that he has no funds except his salary to pay on such judgments. He requests the court to determine the amount he shall pay and to prohibit the issuance of a garnishment against his wages. For the issuance of a garnishment not only inflicts a harsh remedy against the working man and his family, but it jeopardizes his job.

Many employers — including the largest employer of labor in the Detroit area — discharge a man the moment a garnishment notice is received. And not many employers will stand for a series of garnishments. Not only does a garnishment upset their bookkeeping system and compel them to make a return of the funds earned by the workman to the court, but these employers also realize that a man, worrying and nervous about an impending garnishment, becomes a careless and inferior worker. Thinking about his troubles and wondering whether he will receive his pay intact next pay day, he is not unlikely to become involved in a serious accident in his work.

The conciliation division has been able to stop thousands of these garnishments by arranging this partial payment plan. The majority of debtors faithfully co-operate with the court and make an honest effort to reduce their indebtedness and rehabilitate themselves. The majority of creditors have likewise found this procedure to be an invaluable assistance to them in the liquidation of their accounts.

The filing of these petitions by the debtor has given the conciliation court an opportunity to discover the circumstances under which these debts were created. The information gained has been startling.

INSTALMENT buying has a definite place; its normal use has been of mutual benefit to both the purchaser and the seller. When automobiles first came on the market, only a few people of ample means could afford to pay $2,500 or $3,000 cash for an automobile. Immediately after the World War, the system of selling automobiles for one-third down and the balance in twelve monthly payments came into vogue. This resulted in mass production and mass selling. It brought the automobile into the reach of the every day citizen, and made Detroit into a prosperous and dynamic American city.

However, competition between manufacturers, between dealers and between finance companies, in their over-anxiety to sell their automobiles, has carried the instalment selling of these cars to ridiculous extremes. In the first instance, an actual down payment of approximately one-third of the purchase price was required, the balance being spread over twelve months at no interest, or a nominal rate of interest. Thus, the purchaser and his family had the use and enjoyment of the automobile while it was being paid for and at the end of a year had secured for themselves a definite asset.

As more and more cars were sold in this manner, more and more used cars found their way into the market. Statistics show that *60 per cent of the car owners in America have never owned a new car.* To sell a new car today, a dealer has to take in a used car and to sell the used car, he has to taken in another used car, so that the sale of one new car makes necessary the sale of three, four or five old cars.

The dealers and finance companies have been forced to resort to fantastic schemes and plans in order to inveigle the purchasers into believing that they are in a financial position to purchase these automobiles and pay for them with their meager income. Where, originally, the balance had to be paid in twelve monthly instalments that has been stretched into eighteen, twenty-four and even to thirty or thirty-six months.

EWING GALLOWAY

Little or no attention has been paid to the financial status or the ability of the purchaser to meet the obligation of the contract, note or mortgage that he has assumed. The total cost of the obligation in many instances has been carefully concealed from him. The finance charge has been grouped with insurance and other charges so that the purchaser may not know or realize the exhorbitant finance charge that he is obligating himself to pay.

Finance companies, in their desire to secure this business, have made secret arrangements with the dealer, giving him a split or "cut," or secret rebate of a part of their finance charge. Dealers have given excessive allowances for the cars that have been turned in and thus are forced to absorb this over-allowance by adding to the price of the car or getting their secret rebate from the finance company.

Most of these contracts, mortgages and notes are sold to the finance company without recourse and the dealer gets his money. He has no further interest in the problem of the purchaser and completely fades out of the picture. If the purchaser discovers that the contract which he has signed in blank is for an excessive amount, and registers his complaint with the dealer, the dealer promptly tells him he is through with the transaction and the buyer must take everything up with the finance company.

When the man attempts to register a complaint with the finance company, he is informed that they are not in the business of selling automobiles; that they hold the negotiable paper which he signed; that they are engaged in the business of financing and that they have his signed note and mortgage and that he must live up to the sacred obligation that he assumed under the contract. Any recourse regarding the sale, they say, must be taken up with the dealer.

The purchaser, naturally, is bewildered. In too many cases the finance companies are indulging in legal fictions in maintaining that they are bona fide "holders in due course" of negotiable instruments and have no knowledge of the circumstances of the sale. In some instances the automobile dealer and the finance company ARE ONE AND THE SAME PERSON, hiding their true identity by means of a corporate name!

I HAVE FOUND that these vicious practices indulged in increase in proportion and viciousness with the age of the car that is sold. Many banks have now entered the field of financing new cars or cars that are not more than two years old. Their entrance into this field has reduced finance charges so that the charge today on the financing of a new car is $6 per hundred, or 6 per cent in advance, or a true interest rate of approximately 12 per cent.

Again, I find that the finance charges increase with the age of the car sold, and the financial irresponsibility of the purchaser. A car two years old generally carries a finance charge of approximately 9 to 11 per cent, chargeable in advance, or a true interest rate of 18 to 22 per cent a year. Cars of four or five years vintage carry finance charges of 17 to 24 per cent, or a true interest rate of approximately 35 to 40 per cent. I have also run across many instances of the financing of the sale of still older cars where the finance charge has run as high as 50 or 60 per cent!

This is especially true where the notes are stretched out over a period of 18 or 24 months.

The viciousness of these finance charges is especially felt when it is necessary for the finance company to repossess the car because of default in payments. The car may be repossessed within two or three months after the sale, and yet the purchaser faces finance charges for 18 to 24 months which are, in too many instances, in excess of $100 on an unpaid balance of $300 or $350.

(To be Continued)

LAST STAND *of the* BANKING RACKETEERS

EWING GALLOWAY

Only Insofar as the Bankers Permit It, Will the Government's Lending-Spending Program Tend Toward Recovery. Money in Circulation Makes Business, and Business Makes Prosperity. But the Bankers Control Money in Circulation. The World's Most Amazing Racket — Banker Control of Money — Has Proceeded to the Point Where the Banks' Own Investments Are Endangered. Unless the System is Changed, Commercial Banking is Doomed.

by Robert H. Hemphill

THE PRESIDENT and Congress, after months of fiddling with measures which could have little or no effect upon our pressing difficulties, have at last recognized the sad plight of the nation and are about to launch a controversy between the commercial bankers of the nation and the people.

The question is: Will the commercial bankers of the nation permit the Government to put into circulation a little more money so that we can do a little more business?

That is the real question, and the only question involved in the consideration of the Government public works program and the related measures designed to increase the circulating media—money and bank credit.

The Senators and Representatives who are controlled by and represent the banks will oppose the program, and those who really try to represent the interests of the people, will support it, whatever their political convictions. The daily press will almost unanimously oppose the program because the daily newspapers are almost all controlled or intimidated by the commercial banks.

If the bankers can manipulate the legislation so that they will make a substantial profit out of the Government's efforts to relieve the distress and starvation of a large fraction of its citizens, they will likely permit their henchmen in Congress, in the treasury, and in the President's intimate circle, to lay off and let the measures pass. They are insignificant anyway — barely sufficient to relieve public clamor of the moment. They will not effect material recovery.

This controversy is a phase in the final struggle between what has been the most amazing racket in the history of the world, and the simple and inherent right of a people to issue their own money with which to exchange their goods and services.

I say it is the *final struggle* because the commercial banking racket *will no longer stand up and function.*

THE BANKERS themselves, irrespective of legislation or monetary reform efforts, have discovered that they have been trying all along to create something out of nothing, and that it cannot be done. They have discovered that money or any substitute must remain permanently in circulation; that each loan to commerce and industry which they formerly considered a private matter, is in fact a matter of public concern; that the proceeds of their customer's notes, entered upon their ledgers as a deposit, becomes immediately a part of the circulating medium of exchange of the nation and that it cannot be withdrawn without a corresponding contraction in the business of the nation.

This means that these loans should never be paid. In fact, in the final analysis, they cannot be paid. If even a small portion of the commercial loans of the banks are paid, the remainder of their loans and investments are imperiled and their value decreases in an amount greater than the loans paid. Therefore the creation of this synthetic money—bank credit—is an irreversible process. The banks cannot collect their loans without destroying themselves.

I do not believe this specific idea has heretofore been advanced by any other monetary student or writer. We have been too busy pointing out the disastrous effect of bank liquidation upon the business of the country other than the banks.

What I mean is this: If the commercial banks create new deposits of any amount—say two billion dollars for illustration — by their loans to commerce and industry, these new deposits are equivalent to issuing and putting into the hands of spenders, two billions of real money. These spenders immediately buy two billions of the goods and services of the nation. Those who receive the money, or bank credit, spend it again and it continues to be spent by each succeeding owner. This is new money and has created a permanent demand for additional goods and services to the extent of six billion dollars annually. Additional workmen must be employed, and producing, transportation and distribution facilities must be expanded to handle this increased product. The whole social structure now is geared up to this increased production.

If one of these notes is called and paid off, that much purchasing power is withdrawn from circulation and that much production becomes a surplus which the consumers cannot buy. This means immediate unemployment and the idleness of that portion of our production, transportation and distribution facilities formerly occupied with the goods and services which that specific bank credit money purchased.

THIS WRITER has told this story over and over again. It is the inside story of our periods of prosperity and subsequent depression. But, let us take a peep at what happens in the banks themselves.

Part of the potential credit of a fractional-reserve banking system — such as we have in the United States —is loaned to commerce and industry, and the remainder is invested in bonds or other securities, and in real estate mortgages. The value of these securities depends on the general prosperity of the nation, which depends on the production and distribution of goods and services, which in turn depend on the volume of checking deposits — principal circulating purchasing power of the nation—created by the commercial banks.

If the banks call a portion of their loans, the resultant decrease in business naturally cuts into the profits of all business. And the prices of all securities and properties, including those owned by the banks, decline. It doesn't take much of a business recession to eliminate entirely the profits of many lines, bringing abrupt and widespread declines in the prices of their securities. Neither does it require much of a decline in the prices of securities to produce statistical insolvency of the commercial banks.

The commercial banks thus create their own disaster!

Few bankers understand this situation clearly. They all are beginning to sense, rather than understand, that their actions contribute to the condition. But, generally speaking, they resent the charge that they are directly responsible for business expansion and contraction, and they deny it with great vehemence.

There are however, a few bankers who now understand the connection between the expansion of their loans and prosperity, and, contra, between the contraction of their loans and depression, and of course they all know what depression does to their securities. These bankers, who materially influence banking sentiment

in the whole system, are beginning to understand that if they loan to commerce and industry, they can never collect these loans without bringing on a depression, and for some years now they very intelligently have declined to expand their loans to commerce and industry.

In view of this situation, the action of the Federal Reserve Board in decreasing the reserve requirements of the commercial banks is a particularly futile gesture. This writer has said many times since 1933, that the commercial banking system, as the creator of our principal medium of exchange through the medium of commercial and industrial loans, is all washed up; through; finished. And no one should know this better than the Federal Reserve Board, if its members really know the banking system as they should.

Freeing and putting into circulation the 1½ billions of "sterilized" gold will increase the national income approximately 4½ billions within 12 months after it is actually in circulation. This is mere chicken feed. The principal effect will be to inspire newspaper headlines and vacuous oratory.

The Government's public works program will increase the annual business of the nation to the extent that the total expenditures exceed the collection of all taxes, including the Social Security taxes, multiplied by three. What I mean is this: If the Government spends eight billions and collects seven billions in taxes, it will have to create one billion new credit by issuing bonds to banks. (The simple thing, of course, would be to issue the money, but the banks won't let them.) This bank credit will be spent by consumers in the following 12 months, three times. The national annual income will be increased three billions.

What likely will happen is that the Government works program will be so slow that the 1½ billions of desterilized gold will cover the deficit and the net effect of this whole, much-ballyhooed program will put the national income back to about par with that of 1936–63 billion dollars.

At the present price level and wage scale, this would have little if any effect upon unemployment. We would still have 12 million or more unemployed and the "kept" newspapers would then put on a campaign to point out that the Government recovery plans were again proven to be ineffective, and that monetary control is a myth.

This writer recently suggested to President Roosevelt that the practice of "deferred credits" be discontinued by the banks. If this silly practice is discontinued, it will be equivalent to putting five billions or more dollars in circulation, overnight. Since the doctrine was advanced some years back, it has come to be more universally enforced. And of recent times—since 1933 — generally has been enforced by all banks. It has slowed down the velocity of payment by check one-quarter to one-third, and has contributed materially to this depression.

MONOPOLY of CREDIT

How Bankers Creating and Controlling the "Promises Men Live By" Are Masters Over the Freedom of All Men in Debt.

by Hilaire Belloc

Of all the forms of monopoly, the most dangerous today and the most powerful is the monopoly of Credit.

Here again, as in all other cases, the word "monopoly" must be rightly understood. Save in England, there is no complete monopoly of credit. In England the whole of the banking system, centered upon and gathering round the Bank of England, is one solid block. There is here virtually no competition save the competition for customers between various branches of the great banks. The general banking policy is everywhere united.

In other countries banking is much more free, with the consequence that the clients of the banks are less secure. The credit system in England is the most stable in the world, because it is the most completely monopolized. The Bank of England and its dependents, the "Big Five" joint stock banks, have the most rapid and efficient banking methods in the world, and the security of their clients is almost absolute. But in other countries, such as France and the United States, (especially the United States before the crisis of 1929-31), having greater freedom of competition between various banking interests, depositors have also less security. Nevertheless, even with these, the power of the credit monopoly is very great. It is that form of money power which has the greatest strength in the modern world.

We must understand what it is. What is this "credit" which people talk of continually and take for granted, and yet is so rarely defined and which so very few people think clearly upon?

To answer that question, consider how the thing arose. In primitive conditions credit, in the modern sense, was unknown. Supposing of two neighbors one owned a pasture farm and one a tillage farm. Each could exchange his surplus produce against the surplus produce of the other. When multiple exchange grows up, that is, when not two units are involved but a number of units, the thing becomes more complicated; you cannot work the exchanges without a currency. The man with wheat says to the man with sheep, "I want timber." The man with sheep exchanges them for timber and then *may* exchange the timber with the wheat man. But very soon as more units are engaged they must have a common medium of exchange, or transactions could not be carried on. When, in the course of exchanges, a man is prepared to wait for payment, and so make the exchanges easier, that is the beginning of credit.

But credit has come to mean something very different today, *because, instead of currency being used for exchange, promises to pay are used for exchange,* and the banker who can get these promises to pay into circulation has practically created currency.

It began with goldsmiths and others receiving money of their neighbors for safe custody, giving a receipt for it, and prepared to give it back on demand. Then they found that only a certain proportion of the values they held were called for at any one time, and they took to lending out the balance at interest.

Ten men had each put a thousand gold pieces into a neighbor's custody for safe keeping. One and then another would draw out part of his treasure and later pay in new money. The man who was keeping the money and was acting as banker, found that at any one moment he was safe if he kept, say one-tenth of the deposited money by him to meet claims as they came in, the other nine-tenths he could lend out at interest. That was the first step.

The second step was the banker "honoring checks." Originally that meant admitting that the man who had drawn the check had so much money at the bank, and had a right to have it paid him back on demand. But it soon came to mean something very different. The bankers, "extended a credit" to a customer. He said to a client, "You have not got a million at my bank, but you have premises and a business worth two million. If you want to build on to your factory mill I will, on your security, honor your checks up to half a million, but you must pay me interest for that credit."

Meanwhile he does the same thing with the builder, the farmer, the transport man and every other kind of client, until at last the whole community are exchanging "instruments of credit," that is, the bankers' promises to pay instead of actual money, *and it lies entirely with the banker as to how much credit he shall advance and to whom.* In other words it lies entirely with the banker to decide whether human industry in such and such a direction shall, or shall not, proceed. By extending credits he can develop a property, or by reducing them, leave it derelict.

The process was not fully developed even one hundred years ago. Today it is universal and all powerful. So true is it that even nations fighting for their lives have got to go to the bankers for "credits" before they can get the weapons with which the State is to be defended.

This system of making currency "out of nothing," of making paper instruments of credit, virtually controls the modern world. The monopoly of credit, falling progressively into fewer and fewer hands, holds the levers upon which we all depend, and the monopolists of credit are the real masters of the State. This is, on the surface, only a political evil, and it is remote from the ordinary man. The ordinary man, living on a wage, may feel that he is being exploited by the capitalist with whom he deals. He has no way of seeing or feeling that the whole of society is also being exploited far more thoroughly by the controllers of credit, who draw tribute from all men and who can open or close the throttle of industrial energy at will.

This monopoly of credit only touches the ordinary man when he has a mortgage from a bank himself. The proletariat, living on a wage, is not aware of the new power. Yet it is the power which, more than any other, is threatening our civilization with ruin. For not only is it the master of all our activities, without our consent, but it is especially hard upon the small man and destructive of small ownership.

Today you may say that all society is in debt to those who hold the levers of credit, and that when, or if, we lose our freedom altogether we shall have for masters the remaining controllers of land and machinery, who will have behind them, as ultimate masters, the controllers of credit.

EWING GALLOWAY

The Bank of England and the Royal Securities Exchange

EWING GALLOWAY

Youth Goes Shopping

by Leon Hamiliton

Their Conning of Congressional Counters Turns Up a Made-Over Novelty in the Pattern of an American Youth Act. Desperate That "Something Be Done," and Unaware of the Lurking Dangers in This Measure, There Is Some Fear That the Nation's Youth Will Go In For Red Regimentation.

IN AN OBSCURE CCC camp of New York two khaki-clothed "buddies" sat huddled together discussing the strange fate which had brought them together.

The younger, a Buffalo lad, told a disheartening story of blasted hopes and frustrated desires. His every effort to find employment and to "make a place for himself" in the chaotic city in which he had lived had met with dismal failure. His every adolescent dream was shattered less than a year after graduation from high school. How well he remembered that day when, amid smiling good wishes from friends, teachers and classmates, he had received his diploma. How well he remembered the plans for the future which he had made—first a job, any job, at a reasonable salary, a good proportion of which he would diligently save; then, entrance into a fine engineering school where he could satisfy his hunger for higher learning.

But that job, he related bitterly, was never obtained; and the engineering course remained a dream. Those were plans conceived in the characteristic enthusiasm of boyhood. Those plans seemed to mock him now, as he worked with countless other boys in a CCC camp, for a mere pittance, because there was no other place for him.

Slowly he drew from his thin wallet a sadly crumpled piece of paper which he displayed. On it were figures estimating the approximate cost of the education for which he had yearned, together with an estimate of the number of years it would take to earn the needed amount.

"There," he pointed, "are the figures which I made several years ago, before I knew that a 'land of opportunity' exists only in text books."

Then, with deliberation, he tore into tiny fragments the paper which he had carried with him until this day. All semblance of hope had gone.

Nodding sympathetically, the companion beside him recounted a similar tale, with slight variations regarding the channel into which his ambitions might have been directed, had conditions permitted.

Naturally, inevitably, the conversation drifted into the political and economic structure of the United States, and into the various remedies which might be applied to brighten the outlook for youth. The merits and demerits of every conceivable doctrine —from Socialism and Communism to the Social Planning of the New Deal —were thoroughly debated with the final decision that "Something must be done!"

THOSE TWO LADS, with their choked ambitions and burning resentment, are not alone in their plight. Their feeling of defeat and desperation is harbored in many other young American hearts, who likewise have just cause for complaint. There are almost 5,000,000 idle and desperate young persons in the United States without a means of livelihood — not even a CCC camp. Thus, in no uncertain terms the determined cry that *"Something must be done!"* resounds from Maine to California.

Were that will to act directed properly, it would be a wholesome thing, but alas, paid propagandists and Communist agitators are eternally vigilant. In the unemployment of America's youth they see an opportunity to profiteer, and they seize that opportunity eagerly. Thus, with pretended sympathy, they explain to youth that their suffering is due to forces created by their parents, that they are victims of a war, depression and inflation of a generation before them over which they had no control. As a result of parental mistakes, therefore, young America is left holding the bag and must undo the errors of the past.

So, bag in hand, Youth goes shopping—for security, happiness and opportunity. Through breadlines, soup kitchens and welfare colonies, the members of the shopping expedition boldly jostle their way. Several weeks ago 3,000 of them, chaperoned by the American Youth Congress, went bargain-hunting through Washington. Approaching the emporium of the "Senate, House & Co.," they rummaged through counter after counter for legislative finery and, at the behest of their chaperon, pulled out a bit of merchandise labeled "Senate Bill No. 1463," otherwise known as the American Youth Act. Evidently, the shoppers were blind to the many flaws in the merchandise which they eyed, else they would have made no bid for it.

The 3,000 youths who descended upon Washington to lobby for the passage of the American Youth Act are unaware of the dangers lurking in the measure. Introduced by Senator Lundeen, a Farmer-Laborite of Minnesota, the bill is now pending in the 75th Congress. Hearings are held by a sub-committee of the Senate Committee on Labor and Education.

BRIEFLY, this legislation proposes, through projects of the National Youth Administration, to furnish part-time jobs for the youth of both sexes between 16 and 25 years of age. It calls for an annual appropriation of $500,000,000 to provide employment, to finance vocational training and to establish trade schools. The necessary money would be raised by means of special and discriminatory taxation.

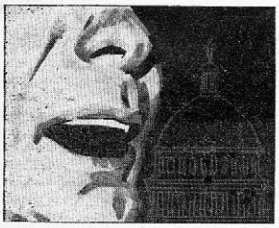
Thus, the National Youth Administration would not be an ordinary governmental bureau supported and maintained by the government on its regular budget and fiscal policy. It would be a special government bureau supported directly by confiscatory taxation of industrialists and agriculturists who are condemned as being responsible for the plight of modern American youth. Not only would private producers be forced to pay their own employes; they would be required, through taxation, to support federal workers who are their competitors.

Witness the spectacle of Mr. Jones hurrying his little Johnny off to a "national project" of a bright May morning. Under the proposed setup, Johnny, of course, gets paid for working, or learning, as the case may be. But the ancient adage that it's Papa who pays still holds good. Down deep into his pockets digs Mr. Jones to give to Mr. Tax-Collector the burdensome amount demanded of him to maintain the federal bureaucracy which has been so kind to Johnny. So he pays and pays until it hurts—until his own business is ruined; until he is forced to suspend operations and forfeit his productive facilities to a collectivistic and socialistic government. When that happens, Johnny will sadly realize that he was the indirect and innocent cause of his father's financial collapse, as well as the collapse of the family treasury. The Joneses will then have to live on Johnny's part-time salary.

The phrase, "To be paid while learning," is a choice bit of inducement for young minds to dwell upon. Little do they realize that it means the regimentation of America's youth into government workers' armies to be placed in competition with their own parents—the employed legions in private industry and agriculture. Little do they realize that the vast sum of $500,000,000 would be taken yearly from private purses to set up *permanently* a huge federal bureaucracy with unprecedented dictatorial powers to perpetuate "emergency" youth administration's projects.

If the purpose of the Lundeen bill were the education and training of youth, then the measure would have no reason for existence, for that education and training could be taken care of simply by extending the educational departments of already existing alphabetical agencies.

How would America's youth benefit? Here is the answer: Two million boys and girls would be put on a federal dole of $500,000,000 yearly. Later they would become petty pensioners of a socialist government, or workers on the adult WPA. Finally, at the age of 60, they would be promoted to the Old Age Pension list. All that is lacking is a spanking, good socialistic law to cover babyhood. If some brain truster will propose that the New Deal will supply nipples, diapers and family wash boards; rattles, dolls, marbles and free pap, then the picture will be complete. Babyhood, youth, maturity and old age all in the New Deal "ring-around-the-rosie"—(spell it "Roosevelt," if you please) but don't forget, his pocket's full of posies!



"Will the Gentleman Yield?"

Youth Are Pawns In Communist Plan

By HON. CLARE E. HOFFMAN
Representative from Michigan

IN RECENT YEARS some have been amazed at the seeming ability of our youth to undertake and carry through large programs affecting legislative education and local problems. Behind the scenes we find an explanation of this seeming ability. We find that our youth are simply the pawns on the board moving at the dictates of a clique made up of some of the most astute propagandists that history has known.

The tragedy of it is that too few of these zealous young Americans realize that they are being used as front and shock troops for a vicious world revolutionary movement concocted and executed by a group of God-denying and God-defying men whose philosophies are those of Karl Marx, Friedrich Engels, Nicolai Lenin, and Dictator Stalin, of Russia —men who are the sworn enemies of what we today term "Americanism"—American ideals and traditions.

The three words "American Youth Congress" are used as a disguise for the most dastardly attack ever perpetrated on the American constitutional form of government.

Member organizations of this so-called Youth Congress who sponsored and participated in the pilgrimage to Washington during the past week include organizations which we are certain have not the slightest idea of the purpose for which they are being used. Many, if they knew the truth, would spurn an alliance with such an un-American organization.

The names of the affiliates of the Congress include: American Baptist Publication Society, Young People's Division; American Federation of Teachers; American League for Peace and Democracy, Youth Division; American Student Union; Consumer's Union; Epworth League of the Methodist Episcopal Church: Federation of Architects, Engineers, Chemists, and Technicians; International Union of Mine, Mill, and Smelter Workers; International Union, United Automobile Workers of America; International Workers Order, Youth Section; Interseminary Movement; National Business and Professional Council, Y.W.C.A.; National Council of Methodist Youth; National Industrial Council, Y.W.C.A.; National Intercollegiate Christian Council; National Maritime Union; National Negro Congress, Youth Division; National Student Federation of America; Southern Negro Youth Congress; Steel Workers Organizing Committee; Student Peace Service; United Electrical, Radio, and Machine Workers of America; United Cannery, Agricultural, Packing and Allied Workers of America; United Mine Workers of America; United Student Peace Committee; Workers' Alliance of America; Young Communist League, U.S.A.; Young People's League of United Synagogue of America; Young Judea; Young People's Socialist League; Young Democrats of the United States; Foreign Policy Association, Student Department; International Student Service; League of Nations Association, Educational Department; National Education Association of the United States; Public Affairs Committee, National Board, Y.W.C.A.; and others.

Lenin long ago proclaimed that—

"Communism will never be put across by Communists alone, but by Communist aid societies."

William Z. Foster, titular head of the Communist Party, U.S.A., said later in an address that—

"We Communists know how to get things bought and paid for by others."

Naval Bid Increases Boost Estimates

By HON. HOMER T. BONE
Senator from Washington

WITH $247,736,025 actually expended to date under authority of the Vinson-Trammell Act; $366,137,595 in addition thereto tied up in contract commitments under authority of the same act; and the further sum of $298,000,000 lifted out of 1933 relief funds and expended in enlarging the Navy, we have a grand total of $849,873,620 spent and pledged under the Vinson-Trammel Act and the relief funds since 1933.

When the author of these observations employs the figure of $4,000,000,000 in connection with the possible expansion under authority of the Vinson-Trammell Act, let it be understood that this figure is merely an estimate of the total amount that might possibly be spent under that act. To be sure, this is an estimate of possible expenditures, but it must be borne in mind that the Vinson-Trammell Act *did not authorize appropriations but rather it authorized the building of vessels, and no one knows what they will cost.* At the time the pending bill was first brought under discussion, the best estimate was that the vessels authorized under the Vinson-Trammell Act would easily cost $4,000,000,000, but at that time most people were not aware of the frightful increases in naval costs that were being thrust upon the country, which, of course, inevitably tend to modify that estimate upward. If the outrageous bids now being received on naval vessels and auxiliaries continue to soar into the stratosphere, it is possible that the amount that could be expended under the tonnage authorizations of that act might reach the astounding figure of $6,000,000,000 if we attempted to do the work in the near future. No one can prophesy with safety what the ultimate cost might be for the vessels authorized under that act.

The hearings before the committee indicated the necessity of a large annual increase over the regular annual naval appropriation, which increase might amount to somewhere around $120,000,000 or more. This increase would make the annual naval budget from now on amount to $700,000,000 or more. Admiral Leahy was not able to express a conclusive opinion as to the amount of money the Navy might spend annually to secure the greatest efficiency in the execution of the program, but his view was that the additional expenditures which might be incurred under the pending bill, if its adoption was followed by appropriations to carry out its terms, would amount to from $100,000,000 to $150,000,000 per annum in addition to the regular naval budget, which, of course, would include money for building of additional ships under the Vinson-Trammell Act program.

Depression Advances Road-Building

By HON. JOHN J. COCHRAN
Representative from Missouri

AS TO THE EXPENDITURES of Federal funds for road purposes. Let us take the report of the Works Progress Administration published last December. On page 10 of that report you find a table which shows for highways, roads, and streets a total of $2,374,573,434 was spent by the W.P.A. and other Government agencies from 1935 until September 1937. Of this amount $1,716,575,184 was spent on W.P.A. projects and $657,998,250 by other Government agencies including the Bureau of Public Roads. Of the $1,716,575,184 disbursed by W.P.A. the sponsors, the States, and subdivisions contributed between 20 and 25 per cent, the balance coming out of the Federal Treasury. We are more than 15 years ahead of our regular appropriation for roads due to the depression. Of course, it is a lasting improvement and money well spent when money must be spent to help the unemployed.

I include the following brief excerpts from the report of the Works Progress Administration:

"About three-quarters of the estimated total cost of all W.P.A. projects initiated by the end of June, 1937 is for construction activities. Repair, improvement, and modernization work account for a little more, and new construction work for a little less, than half the total cost of construction projects. Road construction and improvement are predominant and include large amounts of farm-to-market and other secondary road development as well as important street work in many cities.

"Complete summarization of the accomplishments of the works program is virtually impossible because of the wide variety of the work and the varying local circumstances under which it is carried out.

"If an inspection were made, agency by agency, it would reveal that more than 10,000 miles of roads have been laid and hundreds of grade crossings have been eliminated through projects of the Bureau of Public Roads.

"During about 1 year of W.P.A. and N.Y.A. work project operations, through September 15, 1936, the work already accomplished was both extensive and diversified. At that time more than 29,000 miles of new road had been laid and about 93,500 miles had been repaired or improved."

It is reasonable to assume that the same amount of work on roads was accomplished from September 15, 1936, to September 15, 1937.

Remember the activities of the Works Progress Administration is from relief money and not from the regular appropriations.

The record certainly bears out my statement that we are more than 15 years ahead of our regular road program due to the depression.

A Dollar A Second Since 1 A. D. Would Not Cover It

By HON. GERALD P. NYE
Senator from North Dakota

WHAT DID THE WAR COST? One authority has estimated that the cost to the United States of our participation in the war was sufficient to have duplicated the cost of all the schools that exist in the United States today, plus the cost of all education for 5 years, plus the cost of all the surfaced roads that exist in the United States today, plus the cost of all medical care that the American people require for 5 years, plus the cost of all fire losses that may occur in the next 20 years. That is the cost to the United States alone of its participation in Europe's war.

"Where did this depression come from?" someone asks. Mr. President, there should not be any doubt in any mind as to where we may properly place responsibility for the economic breakdown with which we have been struggling during all these years. There never yet has been a war which has not been followed by economic breakdown and decay. There has not been any change in the rules which assures us that another war will bring in its wake prosperity instead of breakdown.

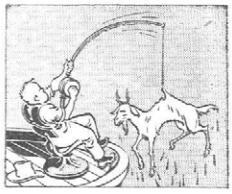
What did the war cost the United States? The Senator from Michigan (Mr. Vandenberg) the other day said that the estimate at the present time of the cost to the United States of our participation in Europe's war was in the neighborhood of $65 billion—$65 billion! Mr. President, even in these days when we talk of billions as we once talked of millions, I still insist that $65 billion is worth weighing. How much is it? If, at the beginning of the Christian era, in the year 1, there had been placed at a given point a dollar, and an additional dollar had been added to the first one every second of every minute of every hour of every week of every month of every year for 1,938 years, there still would not be $65 billion in the pile!

Only Taxation Will Finance Arms Race

By HON. ARTHUR H. VANDENBERG
Senator from Michigan

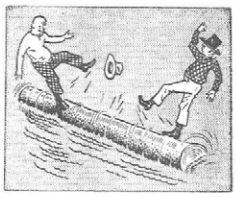
IF A COUNTRY enters the tremendous arms race which is now proceeding, it has only one method by which to escape bankruptcy, and that is by applying a burden of taxation which is almost unbearable. I point to the fact, and I suggest to the American people that they observe the fact, that the British budget has caused it to be necessary to raise income taxes in Great Britain to 27½ per cent upon an average income, the increase being necessitated by the armament program.

Let those American citizens who think they are enthusiastic about a needless expenditure for national security ask themselves whether they are willing to pay the price when the bill is presented.



THE SPORT OF THE NATION

- POLITICAL FOOTBALL
- LOG ROLLING
- GOAT FISHING
- HOG CALLING
- BUBBLE-BLOWING
- HIDE AND SEEK
- SHIRT-STUFFING
- DUMMY WRESTLING



Wind-Up Spring 'Football' Practice

★ ★ ★

Hounds Yelp for WPA Money

Coaches See New Deal as 'Toughest Team'

WASHINGTON, D. C.—Spring practice, the primary warm-up season for the fall campaigns, is being concluded in the nation's political football camps.

As ward heelers' toes thud against the political pigskin in W.P.A. stadia throughout the land, the Washington coaches' association is unified in a belief that New Deal machine power will be hard to beat in the November schedule.

Several teams have shown surprising strength and deception however, and must be counted on to make a contest in the fall. C.I.O. Coach John L. Lewis, of the "Big Reds," Labor's Non-Partisan League — pins all his hopes on the crucial game in Pennsylvania.

"Our men know how to tackle and block," says Coach Lewis. "Although our ranks have been riddled by graduation and ineligibility, we've got a good machine. And if we can win the Pennsylvania game I won't worry. I want to coach a national champion in 1940, you know."

Coach Bill Green, famed inventor of the jurisdictional shift, expects to have an "interesting" team to throw against Lewis in the annual A.F.L.-C.I.O. game, highpoint of the A.F.L. schedule. This clash has caught the fancy of the sporting world and invariably is a sellout, either by Lewis or Green.

In the midwest Coach Phil ("X" marks the spot) LaFollette returns to his Alma Mater to coach the Progressives, going into the big time this year. Phil, former backfield coach of the New Deal, is being assisted by his brother Bob.

"Our greatest trouble is lack of experience," Coach La Follette says. "Our men are green. We haven't any replacements. We've got a good crop of freshmen coming up for the 1940 season, but we'll be pretty weak this year. I'm afraid we'll be rather colorless, too. We can't draw at the ballot box office unless we get more color. The New Deals and the Non-Partisans have lots of color. People like to see a bright, red jersey. They like clowning, showmanship, zip. That's how we drew so well when I was an assistant New Deal coach. The New Deal's got color."

The New Deal Pinkshirts, national champions in 1932 and 1936 under Coach Roosevelt, are expected to be strong again this year. Using the Roosevelt "triple-debt" formation, the New Dealers pack power into every assault. Fullback Farley, All-American in 1936, is still in the lineup. Farley, agile as a tap dancer despite his weight, and powerful as a million-dollar W.P.A. project, is expected to make up for weakness at the tackles and guards.

There is no lack of defensive power in the New Deal lineup. If the offense doesn't come up to expectations, Coach Roosevelt says he will follow his old policy of kicking on first down. The New Deal's kicking strength is feared by every opponent. Last season two backs, Bob Jackson and Harold Ickes, did most of the kicking and kept their opponents back on their heels.

Among other New Deal backfield aces are "Lighthorse Harry" Hopkins, a project-passer; Adolph Berle, third string quarterback, and "Bullhead" Sherm Minton, battering third rate fullback.

"Nifty Dave" Stern, Philadelphia's gift to the grandstand, again will be head cheerleader.

The usual outburst of alumni trouble is bothering the Republican team, according to Coach John D. M. Hamilton, who with Assistant Coach Glen Frank has been attempting to streamline the G.O.P. offense.

"The alumni say we haven't got enough razzle-dazzle to whip a team with the machine strength of the New Deal," Hamilton said. "Coach Frank is a razzle-dazzle expert, however, and we should overcome this objection. Coach Frank has been drilling the G.O.P. "line." Personally, I think this season our 'line' will be just as good as that preached by the New Deals."

OF MUSE & MEN

Prexy has a little ram
His name is Sherlock Minton
And everywhere the votes go wrong,
There goes the ram, a squintin'

It follows every New Deal bill,
Yes; every thing you say—
And just you hinder Prexy's will,
His ram will head your way.

* * *

Aptly Put

Celebrated indeed was the spring primary in Illinois where the embattled Democrats fought among themselves to name candidates for fall elections.

The *Washington Star*, in reporting progress of the primary, inadvertently touched upon the character of the election as a struggle between opposing political machines.

A headline in the *Star* read:

HORNER'S SENATE CANDIDATE HAS LEAD OF $24,855 IN ILLINOIS BALLOTING

* * *

In planning his Philippine villa,
McNutt says he favors Manila,
Only prestige demands
He forego humble plans—
(At least while we're paying the bills.)

TRAVEL NOTE

PARIS, FRANCE—What will the well-intentioned American President be doing in 1940? He'll be coming to Paris.

The Paris Soir reports an interview with United States Ambassador William C. Bullit saying that President Roosevelt told him:

"I shall not run for President in 1940.

"The first thing I'll do upon leaving the White House will be to take a boat for Paris."

"Morons" Did it, Say Senators

WASHINGTON, D. C.—"Who licked the Reorganization bill?"

"Why the morons did, of course."

That line of dialog is lifted from chapter A, sub-section F, of the New Deal "Handbook of Excuses" for use of disillusioned and perplexed Senators.

The remark was echoed in Senate corridors the day of the Senate vote on reorganization. Secretaries of some Senators informed their superiors the flood of protests came, not from "important" people, but from "morons."

There were, they said, no wires from the Entrenched Greeders, from whom the Senators customarily take their orders. Thus what the common people, or "morons," thought was of no importance.

The "morons" did very well, however, considering the fate of the bill. And it is our prediction that the "morons" will be heard from again in the fall elections.

Earle, Guffey Bare Fangs for Patronage Pot

IT TAKES a thief to catch a thief. Similarly it takes a patronage hound to tree a patronage hound.

Once, when W.P.A. funds were a help to the political ambitions of Pennsylvania's Governor Earle, that New Dealer would have battled even the suspicion that such funds had anything to do with a successful campaign.

Today, Governor Earle is on the other side of the patronage fence. And there's no one more opposed to patronage for others than one just deprived of it himself.

Senator Joseph Guffey, who always "takes care" of his supporters in handing out bucketsful of W.P.A. money, is supporting Thomas Kennedy, C.I.O. candidate, for the Senate; scorning the candidacy of his former protege, Governor Earle. The Governor, quite naturally, is materially irked. And if he talks, what he says will be of interest, because he knows the inside of the Guffey machine.

The usual lavish patronage at election time has stirred protest in other sections of the country. Although the C.I.O. is doing well enough in Pennsylvania, it "suspects" the situation in Minnesota and Missouri. Accordingly, Labor's Non-Partisan League, C.I.O. party, has asked Harry Hopkins and the White House for an investigation.

Senator Burton K. Wheeler demands that Montana's new funds be earmarked. Otherwise, he says, the state won't stand a chance of an honest election.

Farley and Tiger Meet Again; Tammany Control Is at Stake

NEW YORK, N. Y.—Wrestling fans in the big city are primed for another gory struggle between Jim Farley and the Tammany Tiger.

Jim, one of the best grunters in the New Deal stable, will make his fourth attempt to whip the Tiger and bring him under his personal control. Jim has been thrown three times by the Tiger in the last six years, but he remains undaunted and unafraid.

The match centers on Jim's grudge against those who opposed the President's Reorganization bill. Among them were the Tiger's manager, Christopher D. Sullivan. Jim believes, and with good reason, that if he can un-seat Mr. Sullivan on the basis of the Reorganization defeat, he can take over Tammany to use as he wishes.

Tammany's district leaders will be brought into line under the patronage terms of the new lending-spending bill, according to the pattern of Jim's battle plan. Those who don't "work" for Jim won't eat political pork. The battle will be staged just before elections, when patronage hunger is most acute. Farley entrants will be listed against those of Mr. Sullivan. The bait will be all on Jim's side. His chances for victory appear bright.

He has tapered off training lately with comments on the business situation. His observation: That business has been "shading off" for the last six or eight months. He admitted that "everyone" is in favor of the spending program. Jim didn't say how he arrived at this belief.

Jim's supporters in the forthcoming battle will be cheered to note his continuing youth. Just a big, bashful, bald kid, Jim told a political group recently that he "didn't know what it was all about" when he went to Washington five years ago. And, still, bashful, he failed to add that he has learned anything in the last five years.

The Week in the News

AGRICULTURE

New Court Smear

SECRETARY of Agriculture Henry A. Wallace, unelected dictator of approximately 30 million American farmers, is embarked on a new adventure in smearing the United States Supreme Court, highest tribunal in America under the United States Constitution.

In an action unprecedented in history, Secretary Wallace addressed a letter to the Supreme Court's Chief Justice Charles Evans Hughes, charging that that official's decision in the Kansas City Livestock case was a reversal of his position expressed two years ago.

The court decision, delivered three weeks ago, sent the N.L.R.B. and other quasi-judicial government agencies scurrying to examine their own histories. It charged that Wallace had not given a "fair hearing" to those penalized; that Department of Agriculture findings of fact left no room for rebuttal. The same legal sin, it was realized, has been committed by the N.L.R.B.

At the same time he dispatched his bitter letter to Chief Justice Hughes, Secretary Wallace, under the inspiration of his smear strategy, sent another letter to Senators saying that the effect of the Supreme Court decision was to give "the Kansas City commission men and their attorneys $700,000 of impounded money which rightfully belongs to the farmers."

SIGNIFICANCE

Obvious intent of Wallace's letter to the Senators was to antagonize the nation's farmers; to cause them raise their voices in wrath against the Supreme Court in the mistaken belief it had given big business $700,000 of their money.

The strategy is familiar. It is the same demagoguery practiced habitually by the New Deal; the same type used in the last smear campaign against the Supreme Court. Ironical note was that Wallace, the apostle of destruction, who has robbed farmers in his A.A.A., old and new, by slashing and burning their crops and killing their livestock, should speak of robbery in such small terms as $700,000.

Coincidentally, the Supreme Court Chief Justice on the same day touched on the general situation in an address before the American Law Institute.

"The defects in judicial administration, which have made the public critical and restive, and which sometimes have obscured in public estimation the services of the courts, have been due in part to the law and in part to the lawyers and judges," he said. "The multiplication of administrative agencies (in government) is the outstanding characteristic of our time . . . I notice that there is a tendency . . . to deprecate the work of the courts, and by comparison exalt administrative boards and commissions."

FUTURE

Whether the Agriculture Secretary's smear would flare into open condemnation of the court by New Deal agents was uncertain. More can be expected on it when—as now seems probable—acts and decisions of the N.L.R.B. are submitted to court scrutiny.

A. A. A. Plan Greatest Crop Slash

America looks forward to a record-smashing wheat crop this fall. The A.A.A. looks forward to the greatest crop-slashing adventure in its history. Thus is epitomized the situation that has griped the national stomach for the past five years.

Confronted with a harvest of approximately 925,000,000 bushels of wheat, farmers in the bread grain belt are confronted also with the possibility they will be asked to reduce their acreage more than 37 per cent for the 1939 season.

The crop-control law, under which A.A.A. officials will order arbitrary reduction of acreage, has as its "teeth" the denial of subsidies to growers who refuse to comply. Wheat farmers desirous of capitalizing their bumper crop either will have to accept the program, after a referendum vote, or will be cut off from all federal assistance; forced to compete with subsidized farmers on the market.

REVOLT PROGRESSES

Meanwhile, an already organized revolt against dictatorial crop domination, moved forward from its national seat in Macomb, Ill.

Here Tilden Burg, president of the Corn Belt Liberty League, planned meetings for farm groups scattered through Illinois, Nebraska and other states. The league had its birth a fortnight previously in the Macomb armory when 3,500 farmers from seven states joined in a protest against excessive acreage reductions.

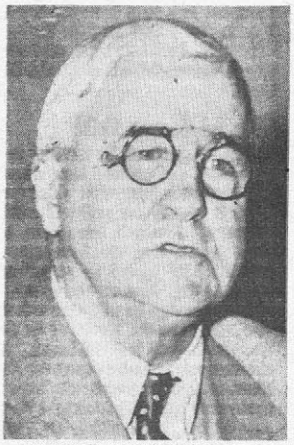
Heads of the Corn Belt Liberty League announced they would extend their organization to every middle western county. "We're going into every county in the middle west, and before we're through Congress will know how farmers of the middle west really feel about compulsory crop control," said Burg.

PRESS

Wanted Publicity, But Not So Much

When Senator Sherman Minton, the New Deal's official "cracker downer," found that his press "gag" bill was being interpreted as another dictatorship overture for the administration, he hastened to correct the impression. He only introduced the "press gag" bill in the United States Senate to get publicity, is the new story.

"I never would have gotten a line about what I had to say in criticism of the publishers if I hadn't introduced the bill," Minton told the Associated Press.



R.F.C. CHAIRMAN JESSE JONES urges loans to railroads to aid recovery. (Acme)

Senator Minton's attack in the Senate specifically named five of the country's leading newspapers, and concluded by the introduction of a bill to make it a criminal offense for newspapers to publish information known to be false. Fines of $1,000 to $10,000 and two years in prison were provided as penalties.

Minton, whom one commentator described as "a typical county seat prosecutor," is the New Deal's No. 1 "smear man." He is the successor to his good friend Hugo Black as chairman of the Senate Lobby Committee. Black, it is recalled, seized thousands of private telegrams and obliged the Federal Communications Commission to violate its own legal powers, for which high handed action Senator Black was severely criticized by the courts. Subsequently, Chairman Black was made a member of the United States Supreme Court by Roosevelt appointment.

Minton, following his predecessor's tactics, attempted to commandeer records of a private organization and when unsuccessful on account of legal restrictions indulged in the customary "smear" which senatorial immunity permits him.

Paper Costs More

"The International Paper Co., subsidiary of the International Paper & Power Co., had a consolidated net profit of $9,220,520 in 1937, according to the annual report . . . This compares with a profit of $5,159,696 in 1936."

—*Page 4, Editor and Publisher, May 7.*

"Although International Pulp and Paper Company made its $50 per ton announcement for the first six months of 1938 almost a year ago, thereby setting the Canadian manufacturers' price, Great Northern set the standard for domestic mills some time later with a $48 figure."

—*Page 3, Editor and Publisher, May 7.*

FINANCE

Searchlight on the Money Changers

WASHINGTON, D. C.—Jesse Jones, the "big bad wolf" of the Reconstruction Finance Corporation addressing the United States Chamber of Commerce warned the banking system that unless they lend more money, they will be taken over by the Government. This has drawn a laugh from the powerful and small bankers alike. Under our private system of lending credit money, every banker in the country is desirous of lending because loans and debts are a source of income to them. They are bulging with excess reserves lying idle because there are no borrowers. Even Mr. Jones' own bank, The National Bank of Houston, has only been able to lend one-fourth of its available funds. And why won't the customers borrow? Because, primarily, under present conditions, it costs about 33 per cent a year for the use of money! For every $10,000 loan a business man must earn exactly $13,382.27 under our present tax laws before he has a net income of $10,000. Existing federal taxes consume that much. In addition, the borrower must pay the interest on the borrowed money and in most states, a state income tax of from 2 to 3 per cent.

Of course, SOCIAL JUSTICE readers know that borrowing entails only fictitious fountain pen credit money. That is why we are opposed to pump priming which only means borrowing more debt money to lead on farther and farther on the road to bankruptcy or repudiation. We will have idle men and idle machines as long as we have idle money that is predicated on debt. An honest money system predicated on production and the real wealth of this country is the key means of breaking the economic bondage that enslaves the American people.

* * *

GOLD TREBLED

Moscow, U.S.S.R. — The Moscow newspaper *Industria* boasts that its gold production has trebled since 1933. Most of the gold has been shipped to America by way of London where the House of Rothschild, as the sole gold agents of the Bank of England, rake in their fat commission for the privilege of permitting the gold to clear through "The City." It is reforwarded from London to New York and thence to the underground vaults in Kentucky and the American Government pays $35 an ounce for it.

The Moscow paper states: "Because we can no longer export sufficient raw materials to obtain the foreign exchange necessary for our purchases abroad, we are going to continue to increase our exports of gold."

Russia's gold is mined by two million exiles in Siberia and in the Urals under the oppressive hand of the OGPU, the Russian secret police. In the meantime, the American taxpayers continue to put up the money to pay for Russian slave gold to finance Bolshevism in its program of world destruction.

NOTICE

Only five days remain before the close of the great "AMERICA TODAY" Contest. All solutions to the 50 questions must be mailed at or before Midnight of next Saturday, May 28, in order to qualify for the 175 prizes totalling $4,650.00.

There is still time to enter the competition—but not much. A person entering during the final hours has an opportunity to win equal to that of any other contestant. It is HOW the questions are answered that will decide the outcome, not WHEN the solutions are mailed—provided the letter containing them is mailed at or before Midnight next Saturday.

The Week in Washington

CONGRESS

Reorganization Bill Again

Emboldened by New Deal victory at the primaries, and confident of the "purchase" value of $4½-billion in pump-priming money, Administration leaders are ready to revive the dictatorial reorganization bill and press for immediate passage before Congress adjourns.

This time, however, there will be no doubt of the outcome. With Father Coughlin off the air and "judgment" day at hand for the House and a third of the Senate, there isn't a chance! Between the withholding of relief money for his district and any number of telegrams of protest from voters, there is little doubt that Congressmen will "go along." To refuse would mean political annihilation.

Accounting

An accounting of Secretary Morgenthau's stewardship of the $2-billion secret Stabilization Fund is about to be demanded in Congress. The Senate, furthermore, will ask that the fund be cancelled and that the $2-billion, together with $1-billion profits on silver speculation, be applied to the national deficit which Morgenthau estimates at $5-billion for the next fiscal year.

The $2-billion Stabilization Fund, set aside to be used secretly to further our own foreign trade; instead, the fund has been used to help the French franc and English trade, at the cost of America's interests, according to Senatorial critics of the New Deal.

Wage-Hour Bill

The Wages and Hours bill is to be passed, not without some discomfort to the administration which sponsored it chiefly for political talking purposes. Southern Democrats, and some Republicans who have opposed the bill have agreed to pass it and "put the President on the spot." If he does not sign he will, theoretically, lose friends in the North; if he does not veto he will lose the South. But the Congressmen who expect the President to fight the civil war all over again may have forgotten that he has $4½-billion with which to soothe ruffled feelings.

"Loyalist Lobby"

A neutrality bill is a nice thing to have, but only so long as the fellows you like are winning. It is ironical that Senator Gerald Nye, who has approached national acclaim for his investigations of the "Merchandisers of Murder," should be the one to call now for the repeal of the act.

Most of the 30 previously neutral Senators who are now supporting the Nye motion have not the slightest qualm in admitting that their object is prompted by sympathy for the Spanish Loyalists. The neutrality law —partial from the beginning — has "done a Frankenstein" on its authors.

For that reason many are glad to see the clouds of political warfare drifting over Capitol Hill. Even if the political paroxysms which now claim the important columns in our daily press, accomplish nothing more than prevention of the further growth and spread of a dictatorial, one-party form of government in the United States, they will have done well their part for Democracy.

EYES and EARS OVER THE CAPITOL

by Mark Meecham

Mustering Political Maneuverings

POLITICAL band-wagons are loading for the start, although they have more than two years in which to assemble their platforms and marshal their constituency forces for the grand march. With trial balloons rising from every quarter, a few excited politicians will mistake one or another of the new juggernauts for a band-wagon and jump on—but not many. Most people have learned that what often starts out as a bombastic possibility generally manages to settle down to a comfortably conventional Democrat versus Republican contest by the time the ballot sheets have been printed.

Vice-President Garner's rumored break with President Roosevelt, and Robert and Philip La Follette's open one, are but two of the many potentialities which may or may not eventuate into importance. Individual political strategisms, however, are of little significance now, except in their relationship to the status of partyism as a whole.

Political partyism is an evil which wormed its way into our democratic structure somewhere between the time when John Hancock urged the colonists to "all hang together" and the close of Thomas Jefferson's first term as President in 1804. And paradoxical as it may seem, once political parties have become a nation's necessary evil, the *more* there are, the safer is the democracy of that republic. Where both parties (usually there are two) have been amalgamated into one, there is generally not the absence of a minority, but its suppression. In a dictatorship there is no room for a party of the second part.

The New Deal, through its author and chief spokesman, has said that it does not aspire dictatorship because it is unworthy. Americans, anxious to believe Mr. Roosevelt's "denial at dawn," are continually hindered in this desire by the ever-increasing amount of evidence to the contrary. They have watched the Minton "lobby" committee investigate the mote in the eye of Republican and anti-New Deal lobbyists, while it ignored the beam in its own. They are wary of the new bill introduced by that same Senator, (aimed at Washington newspaper correspondents and administration critics) making it a felony to print "false news" about the administration, especially because it followed directly on the heels of President Roosevelt's objection to newspaper editors' "persistent opposition" to his reform policies. They cannot but wonder at the President's recent letter directing the steps to be taken by the tax revision conference committee, or his wholesale "purchase" of votes with promises and patronage during the reorganization fight. Nor can they be fooled concerning the new dose of pump-priming which even their Congressmen admit is the determining factor in the fall election.

LEGISLATION

War Profits Bills

I believe that in the event of a war for the defense of our nation and its liberties, there should be a conscription of wealth as well as a conscription of men.—Principle 15 of Social Justice.

The May Bill

Subject: H. R. 9604 and S. 25, known as the Anti-War Profits and Universal Service Bill.

Authors: Senator Sheppard and former Representative Lister Hill of Alabama introduced it. After Congressman Hill was elected to the Senate, Congressman May became chairman of the House Military Affairs Committee, and the bill became known as the May bill.

Analysis: The May bill is aimed not so much against war profits as it is against democracy. It leaves room for some war profits to be acquired, but absolutely none for democracy to function.

It empowers the war-time President to fix by proclamation, all transactions of business and life — to make any changes in business or human relations, to seize, hold or operate by proclamation any property or public service. Under this bill the President conscripts men and women at his own will, and he alone proclaims the regulations. It provides "universal" draft on all industrial services and management. All licenses and control are to be issued at presidential discretion.

The act is effective not only in time of actual war, but until Congress declares that such war has ceased. (The World War which actually ended November 11, 1918, was not declared by Congress to be over until July 2, 1921).

It further empowers the war-time President to shift bureaus, agencies, boards and commissions, and to shift funds at his own discretion (regardless of for what they were appropriated.)

The bill definitely provides for a draft of man-power, but makes no provision for drafting wealth, capital or credit. It provides that all profits above 5 per cent can be taken by the government; but that is still a profit of $50,000 for every million. Because of the many unnecessary dictatorial grants, the bill would be a dangerous weapon if passed.

War-Time Tax Bill

Subject: S. 1331, a bill "to take the profits out of war."

Authors: Introduced by Senators Nye, Clark, Bone, Vandenberg and Pope.

Analysis: This 204 page bill is a complicated combination of the May bill and the new tax bill of 1938. The first nine tenths of the bill is an Emergency Tax Act, which covers about the same territory as the present tax bill (with higher rates) and the act, suspending existing tax laws, would go into effect immediately upon the declaration of war by Congress.

The Industrial Management Provision gives the war-time President the power to control the registration of everyone engaged in the management and control of all technical, industrial or manufacturing plants or establishments of all kinds, and to limit the income of all rendering services during war time.

The War Resources Control provisions empower the war-time chief executive to enforce rules and regulations against profiteering, but the bill in itself makes no specific provisions against profiteering. Under this title, the President is given approximately the same control over sales, price-fixing, commodities, communications, licensing, distribution and transportation, as in the May bill. And like the May bill, this measure would remain in effect until Congress declares the war to have ended. S. 1331 calls for the creation of a War Finance Control commission of five members, to control the sale of securities and to loan money at a rate of interest to be fixed by the commission. The bill aims to take the profits out of war, but in many places falls short of its aim.

To really eliminate war profits, the bill should take *all* the profits of war manufacturers from the beginning of the war to the end. A board should be established to audit the books monthly, and its accountings printed in every publication enjoying the second class mailing privilege.

Conscripting Wealth

Subject: S. 2911, a bill to draft wealth in time of war.

Author: Senator Josh Lee of Oklahoma.

Analysis: The Lee bill attempts to enact into law, principle 15 of Social Justice. It is not concerned with the munitions makers, but it does eliminate the war profits customarily enjoyed by the money lenders.

It makes the wealth of every citizen subject to the borrowing power of the United States in a graduated manner. Persons with net wealth of $1,000 or less are not included in the act.

In the case of net wealth between $1,000 and $10,000, the Government assumes the right to borrow 5 per cent of everything in excess of $1,000 for 50 years at one per cent interest.

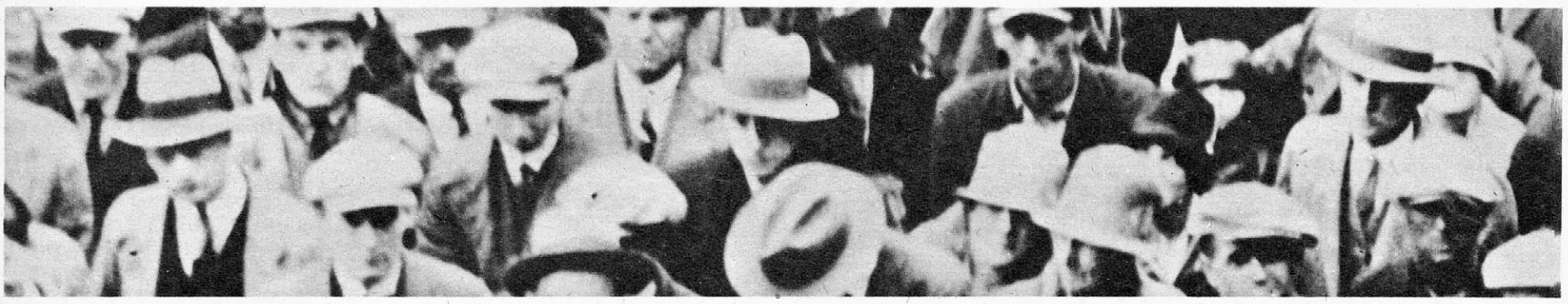
The rate increases progressively, and the Government may borrow $64,456,950 in the case of net wealth of $100-million, and in the case of net wealth in excess of $100-million, 75 per cent in addition of such excess.

The bill provides that the Treasury of the United States shall take a census of the individual wealth throughout the nation, precisely in the same way as the war department takes a census of all young men of military age for purposes of a selective draft.

In exchange for the money, the treasury shall issue bonds not due for 50 years, which shall bear interest of not more than one per cent a year, and shall not be tax exempt either as to principal or interest.

To effect complete elimination of war profits, it would be necessary to enact both the Lee bill, or some similar measure, and a bill prohibiting profits in the manufacture of war materials and munitions.

COMMUNISM'S THIRD STEP



AN ARMY officer of high standing paid me a visit last week. Naturally I may not disclose his identity.

The topic of our discussion was confined to the activities of Communism. Piled on the desk where we sat were reports originating from authoritative sources and documents obtained from communistic headquarters.

In his hand this high officer held a bound copy of lectures which I had delivered more than ten years ago. They dealt with the menace of Communism.

Both of us were interested in the subject for more than twelve years. His interest originated from his official position; mine, from a determination to expose the operations of this red wolf which parades so inconspicuously in the sheep's clothing of labor unions, religion, education and patriotism.

Both of us agreed at the outset that Communism was an outgrowth of the sins of capitalism and politics. Both of us recognized that Communists were not born but were fashioned in the moulds of the depraved society in which men were forced to live.

After a brief discussion the elementary conclusion was mutually accepted that Communism would continue to grow and increase as long as the evil causes which produced it continued to exist; that Communism could not be eradicated until its causes were destroyed.

From his latest information the army officer told me that, probably, there are fewer registered Communists in the United States in 1938 than there were in 1936. This I have suspected. Questioning him as to the reason of this, he answered: "The Communist Party is making no serious drive to obtain registered members. It doesn't have to. Its unregistered followers now number approximately twenty million in the United States."

While I suspected what my visitor meant, I determined to obtain a concrete analysis of his statement.

He informed me that the communistic inclined citizens, for the most part, entertain no suspicion whatsoever of their ultimate leanings. In other words, they freely accepted radical cures for radical abuses of capitalism just the same as did the followers of the Loyalists in Spain. These Loyalists, he pointed out, were predominantly Roman Catholic. In their ranks were clergy as well as laity—well-intentioned men who failed to grasp the full import of the policies which they supported and the leaders who controlled these policies.

In this country, he continued, the twenty million communistic inclined persons were composed not only of well-meaning factory workers, miners and farmers, but also of clergymen, educators, Democrats, Republicans as well as Socialists and registered Communists who had been trapped by popular policies which appealed to their hearts and deceived their heads.

This same view was long since adopted at the Shrine of the Little Flower. To my knowledge I could count many clergymen, Republicans, Democrats, educators and well-meaning politicians who already had swallowed the bait of the red menace. It is only a matter of time until the unseen fisherman will reel in his lines and hold them dangling at his mercy.

During the course of our conversation we reviewed the popular conceptions of Communism. The erudite officer listed them as follows:

(1) **It is anti-religious and anti-God.**

Clever propaganda, so he pointed out, refrained from emphasizing that Communism is anti-God, anti-religion or anti-Christian. In fact, the Communists conceal these characteristics just as fisherman hides his hook lest the innocent supporters of radical reforms should turn against them. While the leaders paint Communism as pro-God, they are content to propagate only the principles which are anti-God. For example, he cited the policy of destructionism which, in principle, is opposed to God's teachings of plenty.

(2) **It is contrary to the well-established principles of human nature.**

While this is true, the Communist leaders are clever enough to emphasize that the present economic, financial and political errors are contrary to human nature. In this manner, the leaders of the Red forces escape detection by blasting away at the abuses of capitalism.

(3) **It advocates class hatred.**

The unreasonableness of class hatred, of course, is not emphasized. However, there is emphasized the unreasonableness of the exploitation, or class oppression, which was and is operative under our present system of economy and politics.

(4) **It is opposed to private propertyship.**

Because, under capitalism, ninety per cent of the wealth is owned or controlled by two or three per cent of the population, the Communists desire to nationalize wealth. They do not make an honest effort to enable the ninety per cent of our population to obtain private property.

From these questions the discussion progressed towards the growth of Communism. My visitor informed me that, according to first-hand evidence which he laid on the table before me, Communism is now in its third stage in America. This third stage has as its objective the bankruptcy of the nation.

Then will come the fourth stage which is planned for 1940 to 1944. This fourth stage is revolution.

Explaining the "bankruptcy stage," both of us were well aware that this was being brought about through the present policy of destructionism which characterizes American life.

HERE is the way this policy operates:

(1) Retain the abuses of capitalism, but appear before the people to fight against such abuses. For example, propose a "Wages and Hours" Bill but be sure that it will not pass. Blame its defeat on capital.

(2) Harass industry to the extent that industrialists will fear to risk investment. (The army officer indicated that the N.L.R.B. was one of the weapons to accomplish this end.)

(3) Institute a policy of planned scarcity by destroying crops or by limiting crops.

(4) Flood the nation with bankers' credit money and thereby force the people, through the process of taxation, to redeem this fictitious credit money with hard-earned currency money.

(5) Soothe the masses who cannot find jobs in industry with doles that are insufficient to maintain a decent standard of living.

(6) Multiply taxation and force those who have money to redeem the bonds which were pledged for the fictitious money borrowed from the bankers.

(7) Force currency money from the stream of circulation; destroy purchasing power in the nation; then, close more factories.

(8) Blame industry and capital for the closing down of factories; and circulate the rumor that capital has gone on strike.

The above is the analysis of the policy of destructionism.

The common opinion was shared by the army officer and myself that this policy would be effective following 1940. Millions of well-intentioned citizens, deceived by those in power, gladly will support the deceivers.

These millions of Americans fail to realize that the **Communists are determined to prevent the removal of the chief abuses of capitalism.** They are determined to multiply these abuses and to aggravate them in order to hasten the ultimate bankruptcy which less-than-living wages produce through the instrumentality of doles; which burdensome taxation produces as a result of flooding America with fictitious money.

MEANWHILE, good but ignorant men of every description are communistic although they are not Communists.

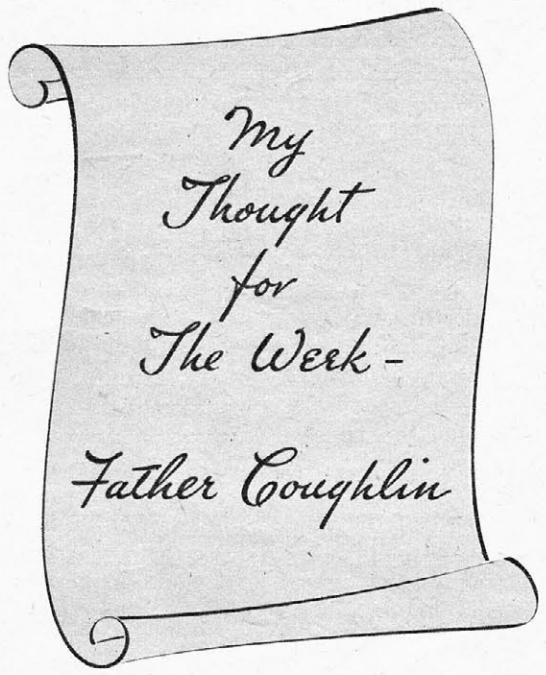
My visitor also explained to me how a communistic headquarters, formerly in Vienna, was moved to Madrid. About a year ago it was taken from Madrid to Mexico City. He pointed out that the followers of Stalin had hoped to capture Spain and Portugal and France, but they met with failure. Their objective is now the United States of America.

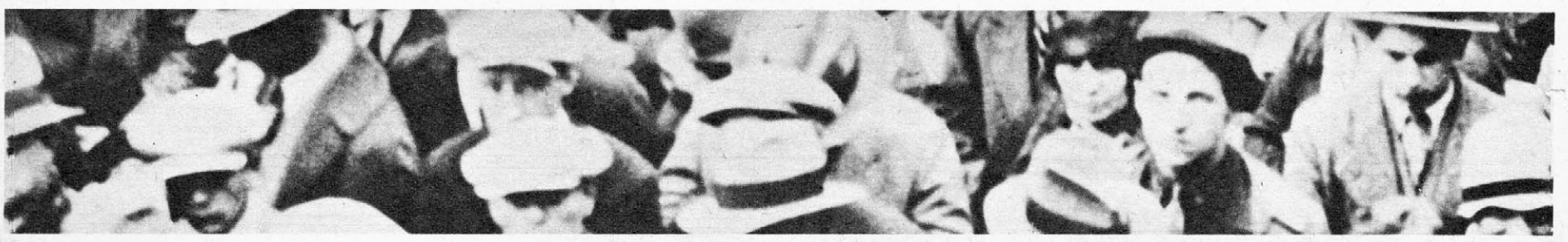
He also indicated that our enemies boast of entree into eighty per cent of the press and of control of one of our great labor unions.

Naturally the Communists are loud in their praises of democracy. They will continue to be so until the revolutionary stage arrives. Then the commissars of dictatorship will show their hands. Then the well-intentioned Americans who aided them and abetted the foes of God and of Christ will have ample time to weigh the forcefulness of their present policies.

Then, and only then, they will understand that the Communists would rather sacrifice a million members than do anything effective to remove the major abuses of capitalism — abuses which they are encouraging through borrowing fountain pen dollars and through employing millions of laborers on the W.P.A. at $56 a month.

All in all, the abettors of Communism are doing the same thing in America as they did in Spain. Will it be necessary for America to repeat the history of the last two years of Spain in our own country?





PUBLIC IMPROVEMENTS

To the Editor:

In my opinion, government interference in industry with no hope of relief is responsible for our present situation.

I believe that we can be on our way back to work in sixty days if the P.W.A., the W.P.A. and other agencies were abolished and public improvements given out on competitive bid to private contractors. They could then hire and fire whom they liked, and those who were physically qualified and would not work, would be denied relief. Give relief only to the aged, the physically unfit, and those unable to find work.

At present the city of Detroit is over-run with rats. Every alley could be paved and made rat-proof. This would be constructive, and private industry would do it five times as cheap as W.P.A. or P.W.A. and the tax payers would get something for their money.

The suggestion about the rat situation and paving of alleys is only an example of what might be done in Detroit; public improvements of this nature could be made all over the United States.

W. L.

Detroit, Mich.

BONUS BILL CHAMPIONS

To the Editor:

In Social Justice under date of January 31, 1938, a letter by W. B. Shafer came to my attention and I feel it is deserving of further comment.

To our knowledge, Mr. Shafer was and is unknown in any veteran activity and especially in the drive for the passage of the Bonus Bill.

In 1924, Mr. Eugene Van Antwerp, a member of the Veterans of Foreign Wars, introduced a resolution for compensation for the veterans. This was later introduced at a Wayne County Council meeting and unanimously adopted. Mr. Wallace Howells along with Colonel Buck and about eight other veterans organized a drive for supporters of the bill. Mr. Howells was author and organizer of the Veterans Political Association and I happen to be one of the original members of his committee and know how hard and untiringly he worked and the moneys he spent out of his own pocket. In 1929 this organization became national and Mr. Howells, due to his untiring efforts, was elected Commander. He was called to Washington on numerous occasions to speak in front of the Congressional Committee for this bill, and I am also aware that Father Coughlin accompanied Mr. Howells on some of these trips and that it was largely due to Father's talks on the radio and before Congressional Committees that the passage was enacted.

When this bill was finally passed, Father and Mr. Howells were mentioned in the records as having been instrumental in the passage of the bill, and I fail to see where Mr. Shafer was ever at any time associated with any activity in connection with the bill.

As we feel Mr. Shafer made assertions that were treading on deserving rights of others, I am writing this in the hope that you will have it reprinted in Social Justice for the benefit of those who might have been misled by Mr. Shafer's statement.

I am sure that in scope for justice you will cause this to be published and show Father Coughlin's supporters where the bill originated and how responsible he was for the passage of it.

George P. Buckley

Detroit, Mich.

EQUAL JUSTICE UNDER LAW

To the Editor:

I quote the following from the New York Sun, Thursday, October 28, 1937:

"Imposing a fifteen to thirty year prison sentence today for a 30 cent robbery, Judge Donnellan said in Court of General Sessions that it is unfortunate that the legislature has taken discretion away from judges in sentencing second offenders.

"Joseph Edwards, 37 year old Negro, who received mandatory term, admitted having been convicted of assault six years ago, and under the law could have no lighter penalty as a result of his conviction a week ago on a charge of robbery in second degree.

"On August 6, he punched Joseph Gradasky in the eye in Central Park near 101 Street, and took all the money Gradasky had—30 cents. Gradasky is a house painter and lives at 1454 Wilkins Avenue, the Bronx.

"Judge Donnellan said that he would have accepted a plea of guilt of a lesser degree of crime, entailing a lighter sentence, but Edwards took his chance with a jury and lost."

And again I quote from the New York Sun, Monday April 11, 1938:

"Richard Whitney, once-powerful figure in Wall Street and five times head of the New York Stock Exchange, was sentenced in General Sessions today to a term of from five to ten years in prison after an almost unparalled castigation by Judge Owen W. Bohan, which left the defendant flushed, slightly teetering and with eyes twitching. When it was over he was rushed through the grilled iron prison's cage to a rear door to await transportation to Sing Sing tomorrow.

"Specifically the former broker was sentenced on his pleas of guilty of having stolen securities valued at $105,000 from the estate of the late George R. Sheldon and other securities valued at $109,000 belonging to the New York Yacht Club of which he was treasurer.

"'Your course in the last six years has been a course of thefts and larcenies, of frauds and misrepresentations, of falsifications of books and financial statements covering losses of several millions of dollars,' Judge Bohan told Mr. Whitney before imposing sentence.

"'I sentence you to a term of from five to ten years on the first charge and from five to ten years on the second charge,' Judge Bohan said. 'The sentences are to be served concurrently'."

And from the same edition of the New York Sun I quote:

"Whitney May Get Out in 3 Years, 4 Months.

"With good behavior Richard Whitney, the broker sentenced today by Judge Owen W. Bohan in General Sessions to serve from five to ten years in prison for grand larceny, will be eligible for a parole in three years and four months provided he meets the requirements of the Parole Board. August 11, 1941 is the earliest date on which he could leave prison."

Carved into the stone front of the New York Supreme Court building on Center and Worth Streets, New York City are these words: "The Equal Distribution of Justice Is the Surest Foundation of Liberty."

Place the crimes of Joseph Edwards, Negro, and his sentence, beside the crimes of Richard Whitney, broker, and his sentence, keeping in mind the above quoted words from the Supreme Court House, and give your honest decision.

J. J. M.

New York, N. Y.

WE'RE SORRY

To the Editor:

My attention has been called to page 3 of the April 25 issue of Social Justice in which under the heading "They Voted For Dictatorship," it would appear that I was paired for the Reorganization bill, which was recently defeated in the House.

As a matter of fact I worked against this bill from the outset, joined in the fight on the floor against it, and was paired in favor of recommittal, or against final passage.

I should be loath to have any misunderstanding of my position and hope that you may be willing to make the necessary correction.

On consulting the Record, it would appear that your list of those paired for recommittal (or against the bill) and the list of those paired against recommitment (or for the reorganization measure) have been transposed. In other words, my colleagues Champion, Douglas, Frey and Kennedy of New York, are in the same position that I am.

Richard B. Wigglesworth,
U. S. Representative from Massachusetts.

OUR BALANCE OF TRADE

To the Editor:

The article in the March 21st issue of Social Justice, "Congress Suppresses the Truth" treats of a subject of vital interest to every American.

However, parts of it need amplifying and clarifying. To quote: "Our farmers receive low prices for their products because they are sold to foreign nations. At the same time agricultural products of foreign countries are bought by the monopolists at low prices and sold for high prices to American consumers." Then near the end of the article: "—instead of receiving higher prices for his products, the farmer will be paid not to produce." The farmer is being paid not to produce now and has been for some years. In this connection, also, how much agricultural produce raised here is actually exported in exchange for imported farm products?

Instead, do not our balancing exports consist mostly of the products of our factories? How many factories in foreign countries set up to compete with American factories and American workmen are equipped with machinery made in the United States; machinery which has been purchased with money received from the sale of agricultural products sold in this country?

Less and less farm produce is grown in this country, the farmer, meanwhile, being more and more regimented and controlled. More produce is imported from abroad at high prices to the American consumers, and more of our products are being driven out of foreign and domestic markets to the detriment of our American workers and manufacturers.

This entire chain of circumstances is the result of the inane policy of this and former administrations. It appears to me that the author of the article referred to could develop this subject further.

W. S. Cordiner

Chicago, Ill.

PLEA FOR CO-OPERATION

To the Editor:

Before "scrapping" the present capitalistic system, we would suggest salvaging its better features, and rejecting the objectionable. This can be accomplished if large employers of labor adopt the policy of the Hormel Company, Endicott-Johnson Company, etc., where labor is based on a guaranteed yearly salary, in addition to which the employes share in the net profits of the company.

In addition to the foregoing, the formation of credit unions and co-operative societies will assist materially in effecting the security of the worker. During the past ten years, credit unions and cooperative societies have functioned in the maritime provinces with huge success under the capitalistic system. They have also made their appearance in many states and are meeting with great success wherever formed.

We refer to the plan adopted by the original Rochdale, England weavers; where this plan has been followed religiously, the results have been most satisfactory. We understand that approximately 60 per cent of the gas and oil business in Ohio is cooperatively owned and operated, much to the chagrin of the old line companies. In Canada, groups are marketing their own products and in many instances are operating co-operatively owned retail stores.

M. F. Leavitt

Boston, Mass.

"ETERNAL VIGILANCE IS THE PRICE OF LIBERTY"

ONE MILLION READERS . . . FIVE MILLION READERS . . . BY CHRISTMAS

Let this be the "watchword" of every SOCIAL JUSTICE reader in the United States.

Not only the watchword. It must spur YOU, as a follower of Father Coughlin, to drive home to others the realization that social justice alone can save our country's institutions.

To do this is the DUTY of every thinking American citizen.

If the 16 points of social justice were put to work today the various "isms" infesting America would evaporate like dew under the morning sun.

It is your DUTY to help bring this about, just as it is your duty to vote—to pay reasonable taxes—to support the Constitution—to further Christianity.

The "MILLION LEAGUE" has been formed for those of our readers who see this as their DUTY and who are happy to help.

It costs you nothing but a little effort to join the "MILLION LEAGUE"—a little effort this summer before we reach the epochal Fall of 1938.

The "MILLION LEAGUE" is for adults only—men and women who SEE what is menacing America and will destroy us unless social justice comes.

Its sole purpose is to spread the humane principles of Father Coughlin through the columns of SOCIAL JUSTICE magazine.

There are ways of doing this which, perhaps, have never occurred to you. You will be told how to proceed. Immediately you indicate your intention of helping by sending in the Co-Operation Coupon, you will receive full instructions.

Perhaps you are one of the thousands who have written saying "I wish I could do something to help." Your chance to do something REAL is now—this summer.

Remember—it costs nothing but a bit of effort—effort in the sweet task of aiding America back to the Republic that once was ours.

Will you do it? Then—use the Co-Operation Coupon now.

CO-OPERATIVE COUPON

SOCIAL JUSTICE,
Royal Oak, Michigan.
Gentlemen:

I wish to help Father Coughlin and social justice in the United States by joining the "MILLION LEAGUE."

Please send me at once full particulars of how I can be of assistance.

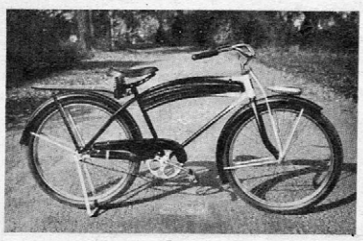
My Name Is.....

My Address Is.....

City or Town..... State.....

YOUNG MAN, WHAT ARE YOU DOING THIS SUMMER?

SOME OF THE PREMIUMS YOU CAN WIN FOR A FEW HOURS WORK EACH WEEK



5099—Streamline Bicycle. Equipped with balloon tires, cadmium plated stand, coaster brake, torpedo light, ruby reflector tail light, tank and luggage carrier. 18" seat mast, and comfortable saddle. .....6080 papers.

Did you know that thousands of boys, as well as grown-ups, are earning as much as $20.00 per week selling SOCIAL JUSTICE for only a few hours on Saturdays and on Sunday mornings?

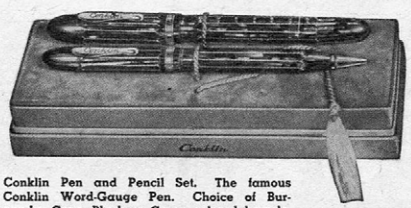
You can do as well this summer—perhaps better. You need spending money every week-end, or perhaps you would like to help your parents with household expenses. Here's your chance. SOCIAL JUSTICE, our weekly magazine devoted to the principles of Father Coughlin, is known to every man, woman and child in America. It is in constant demand, and the demand is rising. It is more than two years old. YOU ARE NOT INTRODUCING SOMETHING NEW AND UNTRIED.

Besides the money you can earn—there are the premiums. Oh, yes, the premiums! A great variety of valuable prizes will go to distributors of SOCIAL JUSTICE according to the number of papers they sell in June, July and August. Fishing tackle, bicycles, boxing gloves, baseball and football equipment, luggage, sweaters, golf clubs and bags—prizes for boys, girls, men and women. Remember—you get these in addition to the money you make each week.

So, how about it? Use the Coupon below right now and get the particulars. As soon as your Coupon arrives, we shall send you a beautifully illustrated catalogue of premiums to be given away. We will also give you complete instructions as to how to sell SOCIAL JUSTICE, where to sell it in your town or city, and a full schedule of profits you can make. Let's go!

All-Sports Shirt. A deluxe sport shirt made of fine all wool broadcloth flannel with long sleeves and shirred back. Choice of following colors: Blue, Brown, Maroon, Canary, White or Tan. Available in small, medium and large size. .....860 papers.

Striking Bag, single end type. Made of selected genuine leather, lined. Heavy leather hanger, bladder, rope and lace included. Medium size. .....410 papers.



Conklin Pen and Pencil Set. The famous Conklin Word-Gauge Pen. Choice of Burgundy, Grey, Black or Green colored barrels. An oversize pen and pencil set.....14807 papers

USE THIS COUPON NOW—

CIRCULATION DEPT.,
Social Justice,
Royal Oak, Michigan.
Gentlemen:

Please count me in on your Cash and Special Premium offer for selling SOCIAL JUSTICE this summer.

Send me without obligation on my part illustrated catalogue of premiums and full instructions.

My Name Is.....

My Address Is.....

City or Town..... State.....

YOU CAN EARN AS MUCH AS $20.00 PER WEEK IN CASH!

The "Boss" of Europe

The Man of the Week

BENITO MUSSOLINI

EMERGING from the clouds of propaganda and misinformation, Il Duce Mussolini stands out as the man of the week.

Contrary to the assertions made by many foreign correspondents, Germany's Fuehrer, Adolf Hitler, was not the dominant factor in the recent Rome-Berlin conversations. If he journeyed to the Holy City to persuade Mussolini to join him in taking up arms against the rest of Europe, he returned to his own Capitol convinced that Mussolini's policies of peace were more effective.

Today Il Duce is the charioteer in whose hands are held the reins of cooperation. His driving personality vibrates his determination to England, to France, to Jugoslavia, to Spain, to Portugal, to Poland and to Germany.

Significant happenings have occurred during the past three months in all these nations. Definitely radical leaders have been unseated in each instance. Notably Chamberlain and Halifax have superseded Baldwin and Eden in England; Deladier has overthrown the forces of the leftist Blum; Franco in Spain has gained the ascendency over the disloyal Loyalists; Salazar is pursuing his constructive and peaceful policies in Portugal.

If Der Fuehrer entertains ideas of launching a smashing military attack against international atheism and international radicalism as represented in Russia, he now accepts the practical diplomacy of realistic union conceived by Mussolini.

Mussolini was the first efficient statesman to check the onrush of Red Communism: his Black Shirts saved Italy for Christian civilization. To him Italy owes its prosperity. To him Europe looks for direction along the pathways of peace.

In him red radicalism sees its most patent enemy; for it was his realism which spiked the guns of the usurers, the bolsheviks, and the internationalists at home and gave timely assistance to Franco and Hitler in pursuing their policy of anti-communism abroad.

Hitler has much to learn from Mussolini in the matter of cementing diplomatic relations with Christianity and religion in general.

Both Mussolini and Hitler, it is hoped, will evolve their nations into democratic countries where Christ's brotherhood will reign under a form of Christian democracy.

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